Supreme Court, U.S.
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No. 07-

IN THE
Supreme Court of the United States

PODS, INC.,

Petitioner,

v.

PORTA STOR, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

JOSEPH DIAMANTE*
RICHARD H. AN
JENNER & BLOCK LLP
919 Third Avenue
37th Floor
New York, NY 10022
(212) 891-1600

**Counsel of Record*

QUESTIONS PRESENTED

1. Can the United States Court of Appeals for the Federal Circuit ("Federal Circuit") *sua sponte* raise and decide the issue of prosecution history estoppel on appeal, where that issue was neither raised at trial nor appealed to it?

2. If prosecution history estoppel is to be based solely on arguments made during prosecution, must the circumstances permit the inference that the examiner relied on those arguments in allowing the patent to issue? This Court has yet to rule on that issue and the Federal Circuit has issued conflicting opinions on the issue. *Compare Zenith Labs., Inc. v. Bristol-Meyers Squibb Co.*, 19 F.3d 1418, 1425 n. 8 (Fed. Cir. 1994) (declining to find prosecution history estoppel because there was "no indication the examiner ever relied on the statements [at issue] . . . in allowing the patent to issue.") with *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570 (Fed. Cir. 1995) ("clear assertions made during prosecution in support of patentability, whether or not actually required to secure allowance of the claim, may also create an estoppel.").

PARTIES TO THE PROCEEDING

Petitioner is PODS, Inc.

Respondent is Porta Stor, Inc.

CORPORATE DISCLOSURE STATEMENT

Pursuant to United States Supreme Court Rule 29.6, Petitioner PODS, Inc. certifies that it has no parent company and that there is no publicly held company that owns 10% or more of the stock of PODS, Inc.

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OPINIONS BELOW

The final opinion of the Federal Circuit is reported at 484 F.3d 1359 (Fed. Cir. 2007). Pet. App. at 1a.

The opinion of the Federal Circuit denying Porta Stor's appeal of the preliminary injunction entered by the United States District Court for the Middle District of Florida ("Middle District of Florida") is reported at 2006 WL 901150 (Fed. Cir. Apr. 6, 2006). Pet. App. at 21a.

The order on claim construction of the Middle District of Florida is reported at 2006 WL 1540347 (M.D. Fla. June 5, 2006). Pet. App. at 25a.

The final judgment of the Middle District of Florida (M.D. Fla. June 16, 2006) is unreported. Pet. App. at 35a.

The final order of the Middle District of Florida is reported at 2006 WL 1699886 (M.D. Fla. June 16, 2006). Pet. App. at 36a.

The order on rehearing of the Federal Circuit (Fed. Cir. June 12, 2007) is unreported. Pet. App. at 38a.

JURISDICTION

The Federal Circuit entered judgment on April 27, 2007. The Federal Circuit denied Petitioner's petition for rehearing and rehearing en banc on June 12, 2007. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATEMENT OF THE CASE

This is a patent infringement action concerning PODS' United States Patent No. 6,071,062 ("the '062 patent"). That patent concerns an apparatus and method for lifting, handling and transporting portable storage containers. Such containers are used, for example, in moving the contents of a house, apartment, or office. On September 16, 2004, PODS filed suit against Porta Stor in the Middle District of Florida, alleging

that Porta Stor's apparatus for lifting, handling, and transporting storage containers infringed the '062 patent.[1]

The next day, on September 17, 2004, the district court, finding that "a Temporary Restraining Order should be entered without notice to prevent further irreparable injury," granted PODS' motion for a temporary restraining order. Nearly two months later, in November 2004, after a hearing and oral arguments from all parties, the district court issued a preliminary injunction pending entry of a final judgment.

On December 3, 2004, Porta Stor moved the district court to reconsider its preliminary injunction ruling. That motion was denied without prejudice pending non-binding arbitration between the parties. On May 11, 2005—more than six months after entry of the preliminary injunction—Porta Stor again requested reconsideration of the preliminary injunction. On June 13, 2005, the district court denied that motion as well, and plaintiffs appealed to the Federal Circuit. The Federal Circuit, in a *per curiam* opinion, affirmed the district court's denial of plaintiffs' motion. Pet. App. 21a.

Shortly before trial in the matter, on June 5, 2006, the district court issued its claim construction order in the case. In that order, the district court adopted PODS' proposed claim construction. Pet. App. 25a. The case proceeded to jury trial on June 12, 2006, where plaintiffs participated fully and had the opportunity to cross-examine all of PODS' witnesses.

At the close of the trial, the district court found, as a matter of law, in favor of PODS on its patent infringement claims. The jury found that Porta Stor's patent infringement had been willful, leading the district court to subsequently double the patent damages under 35 U.S.C. §284 and order Porta Stor to pay PODS' attorneys fees. On June 16, 2006, the district court entered its final judgment and order in the case. Pet. App. 35a-

[1] The basis for federal jurisdiction was 28 U.S.C. § 1338(a).

37a. Porta Stor subsequently moved under Fed. R. Civ. P. 60 for relief from the entire judgment, which the district court summarily denied.

On appeal of all issues, the Federal Circuit reversed the district court's ruling of patent infringement on the grounds that PODS' claim was barred by prosecution history estoppel, *i.e.*, that the file history of PODS' patent estopped PODS from asserting patent infringement against Porta Stor. Pet. App. 1a. The Federal Circuit did so even though that issue had never been raised during trial in the district court and, therefore, had not been appealed to it.

PODS thereafter filed a Combined Petition for Rehearing and Rehearing En Banc to the Federal Circuit on the grounds that the issue of prosecution history estoppel had not been raised by plaintiffs on appeal, but was only applied *sua sponte* by the Federal Circuit. After requesting briefing by the parties, the Federal Circuit denied PODS' petition. Pet. App. 38a.

This petition for certiorari followed.

REASONS FOR GRANTING THE PETITION

I. The Federal Circuit So Far Departed From the Accepted and Usual Course of Judicial Proceedings by *Sua Sponte* Raising and Deciding the Issue of Prosecution History Estoppel on Appeal Even Though That Issue Had Never Been Raised at Trial or Appealed to It

One of the express grounds for granting certiorari is where the court of appeals "has so far departed from the accepted and usual course of judicial proceedings . . . as to call for an exercise of this Court's supervisory power." Supreme Court Rule 10(a). Here, Petitioner seeks certiorari for precisely that reason. In particular, the Federal Circuit *sua sponte* raised and decided the issue of prosecution history estoppel in favor of

Porta Stor on appeal, ***even though that issue had never been raised at trial or appealed to it***. That is plainly improper and amounts to a denial of due process to Petitioner PODS.

A. Appellate Courts Are Courts of Review—They Do Not Hear Arguments Not Raised Below

It is well-settled that "a federal appellate court does not consider an issue not passed upon below." *Singleton v. Wulff*, 428 U.S. 106, 120 (1976). The United States Supreme Court has explained that such a rule is "'essential in order that parties may have the opportunity to offer all the evidence they believe relevant to the issues and in order that litigants may not be surprised on appeal by final decision there of issues upon which they have had no opportunity to introduce evidence." *Id.* (quoting *Hormel v. Helvering*, 312 U.S. 552, 556 (1941)). Principles of fairness and due process lie at the center of this doctrine. Indeed, in *Singleton*, the Supreme Court reversed the lower court's decision, concluding that resolution of an issue not addressed by a party because that party had no chance to do so was an "unacceptable exercise of its appellate jurisdiction":

> We have no idea what evidence, if any, petitioner would, or could, offer in defense of this statute, but this is only because petitioner has had no opportunity to proffer such evidence. Moreover, even assuming that there is no such evidence, ***petitioner should have the opportunity to present whatever legal arguments he may have in defense of the statute***.

(*Singleton*, 428 U.S. at 120).

Indeed, the Federal Circuit has similarly recognized the fundamental unfairness of deciding an issue for the first time on appeal where a party has had no opportunity to be heard on that issue:

> The argument at the trial and appellate level should be consistent, thereby ensuring a clear presentation of the issue to be resolved, ***an adequate opportunity for response and evidentiary development by the opposing party***, and a record reviewable by the appellate court that is properly crystallized around and responsive to the asserted argument.

(*Finnigan Corp. v. Int'l Trade Comm'n*, 180 F.3d 1354, 1363 (Fed. Cir. 1999)). Indeed, the Federal Circuit has described the scope of its appellate jurisdiction as follows:

> ***This is an appellate court . . . No matter how independent an appellate court's review of an issue may be, it is still no more than that—a review.*** With a few notable exceptions, such as some jurisdictional matters, appellate courts do not consider a party's new theories, lodged first on appeal . . . ***In short, this court does not "review" that which was not presented to the district court.***

(*Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1426 (Fed. Cir. 1997)).

B. The Federal Circuit Improperly Raised and Decided, *Sua Sponte*, the Issue of Prosecution History Estoppel

The issue of whether prosecution history estoppel bars PODS from asserting infringement under the doctrine of equivalents was ***never raised or addressed at trial***. Consequently, Porta Stor ***never appealed*** that issue to the Federal Circuit. Indeed, Porta Stor made only two arguments in appealing the district court's infringement ruling to the Federal Circuit, both of which had nothing to do with the doctrine of prosecution history estoppel. (Porta Stor's Opening Appeal Brief, pp. 33-35). In fact, at oral argument before the Federal Circuit, counsel for Porta Stor expressly conceded that

he had not raised prosecution history estoppel as a defense to infringement on appeal.[2]

Yet, without any notice to PODS, the Federal Circuit *sua sponte* raised the doctrine of prosecution history estoppel as a defense to PODS' infringement claim and found that "the district court erred in finding claims 1 and 32 infringed under the doctrine of equivalents." The Federal Circuit's action departs from well-settled precedent of this Court that an appellate court does not consider arguments not raised below or appealed to it. *See, e.g., Singleton v. Wulff*, 428 U.S. 106, 120 (1976); *Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1426 (Fed. Cir. 1997).

Significantly, here, not only did the Federal Circuit reverse the district court's infringement ruling on a ground that was never raised at trial, it raised that ground itself. That is improper. *See, e.g., Thomas v. Wichita Coca-Cola Bottling Co.*, 968 F.2d 1022, 1025 (10th Cir. 1992) ("we will not search the record in an effort to determine whether there exists dormant evidence . . . ***Such an appellate supplementation of the [appellant's] presentation would not be fair to either the [appellee] or the district court***."). Indeed, courts have expressly cautioned against such practices:

> This court should neither raise *sua sponte* an argument not advanced by a party either before the district court or on appeal, nor then advocate a particular position and resolve the appeal based on that advocacy.

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[2] Although Porta Stor may have raised the issue of prosecution history estoppel earlier in the district court proceedings in connection with its motion for reconsideration of the district court's preliminary injunction, ***the fact remains that Porta Stor indisputably did not raise that issue at trial or appeal that issue to the Federal Circuit***. Thus, PODS had no opportunity at trial or on appeal to make further arguments and present testimony against the applicability of prosecution history estoppel.

(*See, e.g., U.S. v. Abdenbi*, 361 F.3d 1282, 1290 (10th Cir. 2004)); *see also Perry v. Woodward*, 199 F.3d 1126, 1141 n. 13 (10th Cir. 1999) ("This court . . . will not craft a party's arguments for him.").

The bottom line is that Porta Stor indisputably did not raise the issue of prosecution history estoppel at trial or on appeal to the Federal Circuit. Accordingly, PODS had no opportunity at trial or on appeal to make arguments and present testimony against the applicability of prosecution history estoppel. Indeed, "testimony as to what a reasonable competitor would conclude from the prosecution history . . . is . . . a tool, which the judge can use at his or her discretion, to aid in the legal determination of prosecution history estoppel." *Bayer AG v. Elan Pharm. Res. Corp.*, 212 F.3d 1241, 1254 (Fed. Cir. 2000). Because Porta Stor did not raise prosecution history estoppel at trial or on appeal, PODS had no reason or opportunity to present testimony that a reasonable competitor would ***not*** conclude from the prosecution history that PODS had surrendered coverage of open-ended carrier frames such as the accused device.

C. Construing Claims In View of the Prosecution History Is Different Than the Doctrine of Prosecution History Estoppel

Any argument that PODS had an opportunity to address the issue of prosecution history estoppel through its claim construction arguments would be without merit. Indeed, the Federal Circuit has emphasized the "clear distinction between following the statements in the prosecution history in defining a claim term, and the doctrine of prosecution history estoppel, which limits expansion of the protection under the doctrine of equivalents when a claim has been distinguished over relevant prior art." *Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1378 n. 2 (Fed. Cir. 1998) (internal quotation marks and citation omitted); *Wenger Mfg., Inc. v. Coating Machinery Sys.*,

Inc., 239 F.3d 1225, 1238 (Fed. Cir. 2001) ("the doctrine of prosecution history estoppel is 'irrelevant' to the determination of literal claim scope.").

The fact that PODS addressed the prosecution history's use of the term "rectangular" for ***claim construction*** purposes does not mean that PODS' lack of opportunity to address that term for purposes of ***prosecution history estoppel*** was harmless. For purposes of claim construction, testimony as to what a "reasonable competitor" would conclude from the prosecution history is not considered. However, in the context of prosecution history estoppel, such testimony may be useful. *See Bayer*, 212 F.3d at 1254.

In view of PODS' lack of opportunity to present evidence and argument regarding the issue of prosecution history estoppel, the Federal Circuit's *sua sponte* decision regarding that issue was not only improper, but amounted to a denial of due process for PODS.

II. Certiorari Should be Granted to Resolve Conflicting Precedent Regarding the Reliance Requirement for Argument-Based Prosecution History Estoppel

Another express ground for granting certiorari is where the court of appeals "has entered a decision in conflict with the decision of another United States court of appeals on the same important matter." Supreme Court Rule 10(a). Here, the Federal Circuit has issued conflicting opinions on whether prosecution history estoppel, when based solely on arguments made during prosecution, requires an inference that the examiner relied on those arguments in allowing the patent to issue.

This Court has yet to rule on that issue and the Federal Circuit has issued conflicting opinions on that issue. *Compare Zenith Labs., Inc. v. Bristol-Meyers Squibb Co.*, 19 F.3d 1418,

1425 n. 8 (Fed. Cir. 1994) (declining to find prosecution history estoppel because there was "no indication the examiner ever relied on the statements [at issue] . . . in allowing the patent to issue.") with *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570 (Fed. Cir. 1995) ("clear assertions made during prosecution in support of patentability, whether or not actually required to secure allowance of the claim, may also create an estoppel.").

The Federal Circuit cited *Southwall Techs.* for the proposition that "clear assertions made during prosecution in support of patentability, ***whether or not actually required to secure allowance of the claim***, may also create an estoppel." *Southwall* is plainly inconsistent with *Zenith.* Indeed, in two unpublished opinions, the Federal Circuit has followed the reliance requirement of *Zenith. See Lifestream Diagnostics, Inc. v. Polymer Tech. Sys., Inc.*, No. 03-1630, 2004 WL 1946490, at *1-2 (Fed. Cir. Aug. 25, 2004); *Popeil Pasta Prods., Inc. v. Creative Tech. Corp.*, No. 95-1017, 1995 WL 319534, at *5 (Fed. Cir. May 26, 1995). Those unpublished decisions are not being cited as precedent, but to illustrate that the Federal Circuit has taken, and continues to take, inconsistent positions regarding the need for examiner reliance on arguments forming the basis for argument-based prosecution history estoppel.

With respect to the present case, the Federal Circuit plainly applied the *Southwall* standard, since there is no evidence that the Examiner relied on PODS' use of the term "rectangular" during prosecution in allowing claim 1, the particular claim at issue in the Federal Circuit's decision. Again, because Porta Stor did not raise prosecution history estoppel at trial or on appeal, PODS had no reason or opportunity to present evidence that the examiner did not rely, and in fact could not have relied, on PODS' use of the term "rectangular."

Notably, the term "rectangular" was ***introduced by the examiner*** in rejecting claim 1 as obvious over U.S. Patent No. 3,541,598 to Dousset ("Dousset") in view of U.S. Patent No. 4,522,550 to Whitehouse ("Whitehouse"). The examiner described Dousset as containing all the structural limitations of claim 1 "***except*** that [Dousset's] carrier frame comprises two separate end-fitted units rather than a single ***rectangular***-shaped frame." The examiner went on to explain that the single rectangular-shaped frame limitation absent in Dousset was being provided by Whitehouse in his obviousness combination.

In responding to that rejection, PODS simply parroted back the examiner's "rectangular-shaped" language in describing the carrier frame of claim 1. The examiner could not possibly have relied on PODS' use of the term "rectangular" in deciding to allow claim 1, ***as the examiner himself had already described the frame as "rectangular" and rejected the claim***. The circumstances plainly do not permit an inference that the examiner relied on PODS' use of the term "rectangular" in deciding to allow claim 1. As such, there can be no estoppel based on PODS' use of the term rectangular under the *Zenith* standard. *Zenith Labs., Inc. v. Bristol-Meyers Squibb Co.*, 19 F.3d 1418, 1425 n. 8 (Fed. Cir. 1994).

This case highlights then how different results may occur depending on whether the *Southwall* or *Zenith* standard is applied. This Court should resolve this important question.

CONCLUSION

Petitioner PODS respectfully requests that its petition for writ of certiorari be granted.

Respectfully submitted,

JOSEPH DIAMANTE*
RICHARD H. AN
JENNER & BLOCK LLP
919 Third Avenue
37th Floor
New York, NY 10022
(212) 891-1600

**Counsel of Record*

Dated: September 10, 2007

APPENDIX

Appendix A

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PODS, INC., Plaintiff-Appellee,
v.
PORTA STOR, INC., Defendant-Appellant,
and Christopher E. Neuguth, Defendant.
No. 2006-1504.

April 27, 2007.
Rehearing and Rehearing En Banc Denied June 12, 2007.

Richard H. An, Jenner & Block LLP, of New York, New York, argued for plaintiff-appellee. With him on the brief was Joseph Diamante.
Edward P. Dutkiewicz, of Dunedin, Florida, argued for defendant-appellant.

Before LOURIE and DYK, Circuit Judges, and O'MALLEY, District Judge.* DYK, Circuit Judge.

DYK, Circuit Judge.

Appellant Porta Stor, Inc. ("Porta Stor") appeals a judgment in favor of appellee PODS, Inc. ("PODS") for, among other things, patent and copyright infringement. We conclude that the district court erred in its patent claim construction; that no literal infringement occurred under the correct construction; and that infringement under the doctrine of equivalents is barred by prosecution history estoppel. Therefore, we reverse the judgment of patent infringement.

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* Honorable Kathleen M. O'Malley, District Judge, United States District Court for the Northern District of Ohio, sitting by designation.

In addition, since we hold that a reasonable jury could have concluded that PODS did not own the asserted copyright, we reverse the district court's grant of judgment as a matter of law on copyright infringement and remand for a new trial on this issue. In other respects, we affirm.

BACKGROUND

I

PODS and Porta Stor are both storage and moving companies that operate by delivering storage containers to customers. After loading the container, the customer either uses it for on-site storage or requests that the container be picked up and transported to warehouse storage or a destination of the customer's choosing.

PODS is the assignee of United States Patent No. 6,071,062 (filed June 6, 2000) (" 062 patent"), which claims an apparatus and method for lifting a storage container from the ground onto a transport vehicle or vice versa. 062 patent col.1 ll.5-10. Claim 1 claims "[a]n apparatus for lifting, handling and transporting a container" that includes, in relevant part:

> a carrier frame including right and left longitudinal elements juxtaposed with the right and left sides, respectively, of the container to be handled and transported, *each longitudinal element extending between opposite first and second ends*, the carrier frame having *front and rear transverse elements* juxtaposed with the front and rear ends, respectively, of the container to be handled and transported, each transverse element extending between opposite right and left ends, *the left ends of the front and rear elements being adjacent to the first and second ends*,

respectively, of the left longitudinal element, and the *right ends of the front and rear elements being adjacent to the first and second ends, respectively, of the right longitudinal element.*

Id. col.6 l.61-col.7 l.11 (emphases added). Claim 1 also requires that "the carrier frame ... is capable of being lowered *around* the container." *Id.* col.7 ll.31-33 (emphasis added). It is undisputed that claim 1 discloses a four-sided rectangular carrier frame, with the right and left longitudinal elements defining the length of the rectangle and the front and rear elements defining its width.[1] Apparatus claim 32 is

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[1] Claim 1 states in full:

1. An apparatus for lifting, handling and transporting a container having right and left sides and front and rear ends, the apparatus comprising:

a carrier frame including right and left longitudinal elements juxtaposed with the right and left sides, respectively, of the container to be handled and transported, each longitudinal element extending between opposite first and second ends, the carrier frame having front and rear transverse elements juxtaposed with the front and rear ends, respectively, of the container to be handled and transported, each transverse element extending between opposite right and left ends, the left ends of the front and rear elements being adjacent to the first and second ends, respectively, of the left longitudinal element, and the right ends of the front and rear elements being adjacent to the first and second ends, respectively, of the right longitudinal element, the carrier frame further including a plurality of generally vertical upright members, each upright member extending between opposite upper and lower ends;

bearing means attached to each upright member lower end, for ground bearing and relative movement of the upright members with the ground;

elevating means for elevating and lowering the carrier frame with respect to the ground;

positioning means connected to the carrier frame for moving and positioning the carrier frame with respect to the container, and for moving and positioning the carrier frame and container

identical to claim 1 in all relevant respects.[2] Claim 29 claims "[a] method of lifting, handling and transporting a container on to and off from a transport vehicle." *Id.* col.10 ll.47-48. Two limitations of claim 29 are relevant to this appeal: "positioning a *carrier frame around* the container on the transport vehicle platform" and "moving and positioning the *carrier frame around* the container." *Id.* col. 10 ll.50-51, col. 11 ll.29-30.[3]

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together with respect to a transport vehicle having a platform when the container is to be loaded on to and off from said transport vehicle;
supporting means connected to the carrier frame and to the container for supporting the container to the frame; and means for providing hydraulic power to actuators,
wherein the carrier frame is capable of being elevated to be moved over the container and is capable of being lowered around the container for attaching the carrier frame to the container for subsequent lifting, handling and transporting of the container.

'062 patent col.6 l.61-col.7 l.35.

[2] Claim 32 is the same as claim 1, except with the following additional limitation (also found in dependent claim 5): "the front and rear transverse elements being selectively adjustable in length to allow expansion of the carrier frame to clear a transport vehicle and the container for positioning and contraction of the carrier frame into close juxtaposition with the transport vehicle and the container." 062 patent col. 12, ll. 13-18.

[3] Claim 29 states in full:

29. A method of lifting, handling and transporting a container on to and off from a transport vehicle having a cargo carrying platform, the method comprising the steps of:
positioning a carrier frame around the container on the transport vehicle platform;
releasably attaching the carrier frame to the container;
extending rear and front upright members downward into a ground-engaging position;
elevating the carrier frame with hydraulic means and container above the transport vehicle platform;
expanding the carrier frame with hydraulic means to clear the sides of the transport vehicle platform;

driving the transport vehicle out from under the carrier frame and container;
lowering the carrier frame and container until the container rests upon the ground;
releasing the carrier frame attachment from the container;
activating a steering and mobility means for providing driving power and directional control to wheels at the lower end of the rear upright members;
directing the movement of the carrier frame away from the container;
elevating the carrier frame to an elevation higher than that of the transport vehicle platform;
moving and positioning the carrier frame over the transport vehicle platform;
deactivating the steering and mobility means;
retracting the carrier frame with hydraulic means to align the upright members in close proximity to the transport vehicle platform;
lowering the carrier frame to rest upon the transport vehicle platform;
retracting the upright members upward away from the ground-engaging position so that the transport vehicle is able to transport the carrier frame;
extending the upright members downward into a ground-engaging position;
elevating the carrier frame with hydraulic means above the transport vehicle platform;
expanding the carrier frame with hydraulic means to clear the sides of the transport vehicle platform;
activating a steering and mobility means for providing driving power and directional control to wheels at the lower end of the rear upright members;
directing the movement of the carrier frame away from the transport vehicle platform;
moving and positioning the carrier frame around the container;
lowering the carrier frame adjacent to the ground;
releasably attaching the carrier frame to the container;
elevating the carrier frame and container to an elevation higher than that of the transport vehicle platform;
moving and positioning the carrier frame and container over the transport vehicle platform;

II

On September 16, 2004, PODS filed a complaint in the United States District Court for the Middle District of Florida, and later amended it. The amended complaint alleged that Porta Stor's apparatus for lifting, handling, and transporting storage containers-a three-sided structure with two long sides, one shorter side, and an open-end so as to form a u-shape-infringed the 062 patent. PODS also alleged copyright infringement, asserting that Porta Stor copied a rental agreement for portable storage units of which PODS was the copyright owner.

The parties consented to have the entire proceeding conducted before a magistrate judge. *See* 28 U.S.C. § 636(c)(1) (2006). On November 10, 2004, the district court issued a preliminary injunction barring Porta Stor from, inter alia, selling or marketing "their method and apparatus for lifting, handling, and transporting a storage container." On appeal we affirmed the grant of a preliminary injunction, finding that "the magistrate judge was correct in holding that Porta Stor's motion did not present sufficient grounds for dissolving the preliminary injunction." *PODS, Inc. v. Porta Stor, Inc.*, 177 Fed.Appx. 73, 75 (Fed. Cir. 2006).

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deactivating the steering and mobility means;
retracting the carrier frame with hydraulic means to align the upright members in close proximity to the transport vehicle platform;
lowering the carrier frame and container to rest upon the transport vehicle platform; and
retracting the upright members upward away from the ground-engaging position so that the transport vehicle is able to transport the carrier frame and container.

062 patent col. 10 l.47-col. 11 l.47.

After the final pretrial conference, the district court resolved issues of claim construction. The parties apparently agreed that the terms "carrier frame" and "around" in claims 1 and 32 required "an apparatus that uses a four-sided or rectangular-shaped carrier frame." *PODS, Inc. v. Porta Stor, Inc.*, No. 04-CV-2101, slip op. at 2, 2006 WL 1540347 (M.D. Fla. June 5, 2006) ("*Claim Construction Order*"). Porta Stor argued that the terms in claim 29 should be given the same meaning. *Id.* at 3. Instead, the district court, agreeing with PODS, construed "carrier frame" in claim 29 as "not limited to a four-sided, rectangular shaped frame" and "around" to mean "on all four sides or on less than all four sides." *Id.* at 4, 9. The district court apparently agreed with PODS's argument that the omission in claim 29 of the detailed description of a four-sided carrier frame found in claim 1 "presumably carries consequences" and that "the carrier frame described in claim 29 is less precise and limited." *Id.* at 4.

A jury trial began on June 12, 2006. At the close of the evidence, the district court granted judgment of infringement as a matter of law ("JMOL") for PODS on the patent and copyright infringement claims. It found that independent claim 29 of the 062 patent was literally infringed and that independent claims 1 and 32 (and their dependent claims) were infringed under the doctrine of equivalents. The district court also found, as a matter of law, that the 062 patent was not invalid, thus effectively rejecting Porta Stor's affirmative defenses and counterclaims of invalidity. Additionally, the district court found that the PODS rental agreement was "subject to valid copyright protection" and, since "Porta's rental agreement[ ] is identical to PODS' rental agreement ... Porta by its rental agreement has infringed" PODS's copyright. The case was then submitted to the jury, which found that Porta Stor's infringement of the 062 patent was

willful and awarded $1500 in damages. The jury concluded that the infringement of the copyright was not willful and awarded no copyright damages, though the court allowed damages in the statutory minimum amount of $750.

The jury also found a willful violation of the Lanham Act, 15 U.S.C. § 1125, but only awarded $1. The jury also found that Porta Stor willfully violated the Florida common law of unfair competition and awarded $15,000. Finally, the jury found a willful violation of the Florida Deceptive and Unfair Trade Practices Act, but awarded no damages.

On June 16, 2006 (the day of the jury verdict), the court entered a judgment ordering Porta Stor to pay PODS a total of $17,251. The court noted in an order accompanying the judgment that it would still consider a motion from PODS to increase the patent damages under 35 U.S.C. § 284. On August 25, 2006, the district court doubled the patent damages and entered a permanent injunction that bars Porta Stor from infringing the 062 patent. On the same day, it also awarded attorney's fees and expenses to PODS on the patent claim under 35 U.S.C. § 285 (based on willful infringement) but declined to do so on the non-patent claims.

Porta Stor appealed on July 3, 2006.

DISCUSSION

I

We have an obligation to assure ourselves of our jurisdiction before considering the merits of an appeal. *See Steel Co. v. Citizens for a Better Env't,* 523 U.S. 83, 94-95, 118 S. Ct. 1003, 140 L. Ed. 2d 210 (1998). This case represents another example of the litigants' failure to address potential problems

concerning the finality of the judgment. The district court entered a formal "Judgment in a Civil Case" on June 16, 2006, that appeared to be appealable.[4] However, on August 25, 2006, the court also entered a permanent injunction on the patent claims. Porta Stor filed a notice of appeal on July 3, 2006, from the June 16, 2006, judgment but apparently did not file a notice of appeal from the August 25, 2006 amended judgment.

Under Federal Rule of Appellate Procedure 4(a)(2), "[a] notice of appeal filed after the court announces a decision or order-but before the entry of the judgment or order-is treated as filed on the date of and after the entry." This situation falls within the scope of Rule 4(a)(2). This provision is designed for situations in which "the unskilled litigant ... files a notice of appeal from a decision that he reasonably but mistakenly believes to be a final judgment, while failing to file a notice of appeal from the actual final judgment." *FirsTier Mortgage Co. v. Investors Mortgage Ins. Co.*, 498 U.S. 269, 276, 111 S. Ct. 648, 112 L. Ed. 2d 743 (1991). We believe it applies equally where the formal judgment appears to be appealable even though not final. Thus, Porta Stor's premature notice of appeal should be treated as being filed on August 25, 2006, the date that the district court entered the amended judgment. We thus conclude that we have

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[4] While the judgment as to the patent claims was still subject to enhancement of damages (and enhancement was granted on August 25), that possibility did not bar an immediate appeal pursuant to 28 U.S.C. § 1292(c)(2), which gives this court jurisdiction over a judgment of patent infringement that "is final except for an accounting." *See Majorette Toys (U.S.) Inc. v. Darda, Inc. U.S.A.*, 798 F.2d 1390, 1391 (Fed. Cir. 1986) ("[A]n appeal in a patent case can come to this Court under § 1292(c)(2) after validity and infringement are determined but prior to determining damages."). The pending motion for attorney's fees also did not render the judgment non-appealable. *See Budinich v. Becton Dickinson & Co.*, 486 U.S. 196, 202-03, 108 S. Ct. 1717, 100 L. Ed. 2d 178 (1988).

jurisdiction over this appeal.

Because Article III standing is jurisdictional, we must also consider Porta Stor's standing to bring this appeal before considering the merits. *Pandrol USA, LP v. Airboss Ry. Prods., Inc.*, 320 F.3d 1354, 1367 (Fed. Cir. 2003). We conclude that Porta Stor lacks standing to appeal the jury's finding of a violation of the Florida Deceptive and Unfair Trade Practices Act. "[T]he law is well-settled that a party lacks standing to appeal from a judgment by which it is not aggrieved." *See Penda Corp. v. United States,* 44 F.3d 967, 971 (Fed. Cir. 1994). The district court's judgment in this case did not award damages, an injunction, or attorney's fees based on the Florida statutory claim, nor did PODS seek a declaratory judgment on this claim. Porta Stor has identified no other basis to conclude that it was aggrieved by the district court's judgment, and therefore it lacks standing to appeal the jury's verdict on the Florida Deceptive and Unfair Trade Practices Act. *See id.* at 972 ("Courts ... have not recognized standing to appeal where a party does not seek reversal of the judgment but asks only for review of unfavorable findings.").

II

Addressing the merits, Porta Stor asserts that the district court erred when it granted JMOL on the issue of patent infringement, finding infringement as a matter of law. We review the grant or denial of JMOL without deference. *Go Med. Indus. Pty., Ltd. v. Inmed Corp.*, 471 F.3d 1264, 1272 (Fed. Cir. 2006). Claim construction is a question of law which we review without deference. *Cybor Corp. v. FAS Tech., Inc.*, 138 F.3d 1448, 1455 (Fed. Cir. 1998) (en banc).

Porta Stor argues that the district court erred in not construing the phrases "carrier frame" and "around" in claim 29 to have the same meaning as they undisputedly have in claim 1, namely a four-sided rectangular shaped frame that completely surrounds the container on all four sides.

We begin our claim construction analysis with the words of the claims themselves. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc). We are not limited to considering just the language of claim 29 because "[o]ther claims of the patent in question, both asserted and unasserted, [are] valuable sources of enlightenment as to the meaning of a claim term." *Id.* at 1314. In this case, the term "carrier frame" in claim 29 also appears in claim 1 where it is specifically described as including "right and left longitudinal elements" adjacent to "front and rear transverse elements." 062 patent col.6 ll.64-65, col.7 ll.1-2. The parties agree that the structure described as a "carrier frame" in claim 1 is "a four-sided or rectangular-shaped carrier frame" that surrounds the container on all sides. *Claim Construction Order*, slip op. at 2. We apply a "presumption that the same terms appearing in different portions of the claims should be given the same meaning unless it is clear from the specification and prosecution history that the terms have different meanings at different portions of the claims." *Fin Control Sys. Pty., Ltd. v. OAM, Inc.*, 265 F.3d 1311, 1318 (Fed. Cir. 2001); *see also, e.g., Phillips*, 415 F.3d at 1314; *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342 (Fed. Cir. 2001). PODS has pointed to no evidence in the specification or the prosecution history that the term "carrier frame" in claim 29 has any meaning other than the uncontested meaning in claim 1. To the contrary, the only embodiments disclosed in the specification are four-sided.

Also, as discussed in the next section, during prosecution the Dousset prior art patent was distinguished on the ground that the 062 patent claimed a rectangular-shaped frame, thus suggesting that all claims were limited to a four-sided device. *See Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1579 (Fed. Cir. 1995) ("[A]rguments made during prosecution regarding the meaning of a claim term are relevant to the interpretation of that term in every claim of the patent absent a clear indication to the contrary."). We therefore conclude that the term "carrier frame" in claim 29, as in claim 1, requires "a four-sided or rectangular shape." *See Claim Construction Order*, slip op. at 2.

As PODS itself notes, in a claim that "recites a four-sided 'carrier frame'... placing that four-sided carrier frame 'around the container' would result in 'all four sides' of the carrier frame being 'around' the container." Appellee's Br. at 24-25. Thus, since we construe the term "carrier frame" in claim 29 to require a four-sided structure, we necessarily construe the term "around" to require the frame to be on all sides of the container. This construction is confirmed by the ordinary meaning of "around," which in this context is defined as "along the outer edge or boundary of ... on *all sides* of ... so as to encircle or *enclose* ... about." *Webster's Third New International Dictionary* 120 (2002) (emphases added).

The second step of the infringement analysis is to compare the accused device to the patented invention (as construed) to determine infringement. PODS "conced[ed] [that] the accused device, which embodies a u-shaped or open-ended carrier frame, does not literally read on" claim 1 because "claim 1 describes an apparatus that uses a four-sided or rectangular-shaped carrier frame." *Claim Construction Order*, slip op. at 2-3. Since claim 29 also describes a four-

sided or rectangular-shaped carrier frame, there can be no dispute that Porta Stor's device does not literally infringe claim 29. Thus, the district court's finding of literal infringement of claim 29 was erroneous.

B

Even if "a product or process ... does not literally infringe upon the express terms of a patent claim[, it] may nonetheless be found to infringe if there is 'equivalence' between the elements of the accused product or process and the claimed elements of the patented invention." *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 21, 117 S. Ct. 1040, 137 L. Ed. 2d 146 (1997). The district court found infringement by equivalents of claims 1 and 32 of the 062 patent. However, "prosecution history estoppel limits the range of equivalents available to a patentee by preventing recapture of subject matter surrendered during prosecution of the patent." *Southwall Techs.*, 54 F.3d at 1579. "[W]here a patent applicant sets forth multiple bases to distinguish between its invention and the cited prior art," "the separate arguments [can] create separate estoppels" as long as the prior art was not distinguished based on the combination of these various grounds. *Id.* at 1581-83. "To invoke argument-based estoppel ... the prosecution history must evince a clear and unmistakable surrender of subject matter." *Conoco, Inc. v. Energy & Envtl. Int'l, L.C.*, 460 F.3d 1349, 1364 (Fed. Cir. 2006) (internal quotation marks omitted).

We conclude that arguments made by PODS during prosecution bar it from asserting that Porta Stor's device infringed by equivalents. During prosecution, the examiner rejected claim 1 of the 062 patent as obvious in light of the Dousset prior art reference, U.S. Patent No. 3,541,598 ("598 patent"), and another reference. In response, PODS argued

that "Applicants' invention is decidedly different from the teachings of the Dousset patent" for three reasons. First, Dousset required specially designed containers, whereas PODS's device was operable with any container. Second, "[a]s the Examiner acknowledges, the Dousset reference clearly lacks the teachings of the singular *rectangular-shaped* frame." J.A. at 65 (emphasis added). Third, PODS's invention "teaches uniformity in the handling, lifting and lowering of a container" whereas "the Dousset reference clearly lacks combined elevating and positioning means as thought by the present invention which allows the carrier frame to be elevated and positioned as a *rectangular-shaped* frame with respect to the container, the vehicle and the ground." J.A. at 65 (emphasis added). The second basis PODS offered for distinguishing Dousset, along with the reference to a rectangular shape in the third basis, clearly and unmistakably shows that PODS limited its claims to a rectangular-based frame and surrendered any claim to a frame that was not rectangular or four-sided. Since PODS offered each argument as a separate basis for distinguishing Dousset, its rectangular-frame argument created a separate estoppel. *See Southwall Techs.*, 54 F.3d at 1582-83.

PODS argues that it was unnecessary to distinguish Dousset on the rectangular-shape ground since the examiner had acknowledged that Dousset "comprises two separate end-fitted units rather than a single rectangular-shaped frame" and relied on another reference to satisfy the rectangular frame limitation of claim 1. J.A. at 45. However, "[c]lear assertions made during prosecution in support of patentability, whether or not actually required to secure allowance of the claim, may also create an estoppel." *Southwall Techs.*, 54 F.3d at 1583, because "[t]he relevant inquiry is whether a competitor would reasonably believe that the applicant had surrendered the relevant subject

matter," *Conoco*, 460 F.3d at 1364 (quoting *Cybor*, 138 F.3d at 1457). In this case, PODS, in support of its assertion of patentability over Dousset, clearly stated that its claimed frame was rectangular in shape. A competitor would reasonably believe that PODS had surrendered any claim to a frame that was not rectangular or four-sided in shape, such as Porta Stor's three-sided, u-shaped device.

Thus, PODS's arguments during prosecution bar it from asserting that Porta Stor's device infringed claim 1 of the 062 patent under the doctrine of equivalents. Moreover, although the arguments distinguishing Dousset do not directly apply to claim 32, which was added after the obviousness rejection, "once an argument is made regarding a claim term so as to create an estoppel, the estoppel will apply to that term in other claims." *Southwall Techs.*, 54 F.3d at 1584. Therefore, the district court erred in finding claims 1 and 32 infringed under the doctrine of equivalents.[5]

We have no need to consider Porta Stor's arguments related to invalidity, since our finding of non-infringement moots any affirmative defense of invalidity, and Porta Stor has not argued its invalidity counterclaim on appeal.

III

Porta Stor also argues that the district court erred in granting JMOL on copyright infringement. "This court applies copyright law as interpreted by the regional circuits," in this

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[5] Although PODS has only asserted literal infringement of claim 29, infringement by equivalents of this claim would be barred by prosecution history estoppel for the same reason. Also, PODS does not argue that any of the Festo exceptions to surrender by amendment should apply in this context. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 740–41, 122 S. Ct. 1831, 152 L. Ed. 2d 944 (2002).

case the Eleventh Circuit. *Amini Innovation Corp. v. Anthony Cal., Inc.*, 439 F.3d 1365, 1368 (Fed. Cir. 2006). In the Eleventh Circuit, "[t]he plaintiff ... establishes a prima facie case of copyright infringement by proving by a preponderance of the evidence (1) that it *owns* a valid copyright in the work allegedly infringed, and (2) that the defendant copied that work." *M.G.B. Homes, Inc. v. Ameron Homes, Inc.*, 903 F.2d 1486, 1490 n.7 (11th Cir. 1990) (emphasis in original) (quoting *Donald Frederick Evans & Assoc. v. Cont'l Homes, Inc.*, 785 F.2d 897, 903 (11th Cir. 1986)). The key issue here is ownership.

Ownership of a copyright "vests initially in the author or authors of the work," which is "the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection." 17 U.S.C. § 201(a) (2006); *see also Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 737, 109 S. Ct. 2166, 104 L. Ed. 2d 811 (1989) ("*CCNV*"). However, the statute "carves out an important exception ... for 'works made for hire.' If the work is for hire, 'the employer or other person for whom the work was prepared is considered the author' and owns the copyright." *CCNV*, 490 U.S. at 737, 109 S. Ct. 2166 (quoting 17 U.S.C. § 201(b)). Two types of works can qualify as a "work made for hire":

> (1) a work prepared by an employee within the scope of his or her employment; or
>
> (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made

for hire.

17 U.S.C. § 101 (2006). In *CCNV* the Supreme Court explained that "[t]he structure of § 101 indicates that a work for hire can arise through one of two mutually exclusive means, one for employees [the first prong] and one for independent contractors [the second prong]," with the general common law of agency supplying the distinction between employees and independent contractors. 490 U.S. at 742-43, 109 S. Ct. 2166. While all works by employees constitute "works made for hire," "only enumerated categories" of works by independent contractors "may be accorded work for hire status" and, even within these categories, only if there is a written instrument designating the work as a work for hire. *Id.* at 748, 109 S. Ct. 2166.

On appeal, PODS does not argue that it owned the copyright under the second prong of § 101, that is, that it succeeded to the copyright interest of its outside counsel. There is as well no evidence that PODS's employees were the sole authors of the agreement. Instead, PODS asserted that "the evidence at trial showed that PODS' employees created the rental agreement at issue with the assistance of an outside lawyer." Appellee's Br. at 48. As best we can understand PODS's argument on appeal, it is asserting co-ownership of a joint work. Under 17 U.S.C. § 201(a), "[t]he authors of a joint work are coowners of copyright in the work." A "joint work" is "a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." 17 U.S.C. § 101.

The only evidence at trial on the issue of joint ownership was the testimony of PODS president and CEO Peter Warhurst. On direct examination, Warhurst testified that PODS "went back to the [outside] *attorney* that helped draft the original

mini-storage contract and *he ... modified it* for the uniqueness of ... the PODS business." J.A. at 2109 (emphases added). Likewise, when asked whether a document was "the rental agreement that the *lawyer developed* with your input," Warhurst said "[t]hat's correct." *Id.* (emphasis added). Similarly, he testified on cross-examination as follows:

> Q: Who wrote the document for you?
>
> A: The, uh-the lease agreement?
>
> Q: Yes.
>
> A: I believe that it was the *outside counsel* that we had hired.
>
> ....
>
> Q: And the *attorney who wrote the original document,* Mr. Silver-Silverman?
>
> A: I believe that's who we used at that time, yes.
>
> Q: He was an attorney who had had [sic] an office, he wasn't an employee of PODS, was he?
>
> A: Correct.

J.A. at 2130-31 (emphasis added). However, on redirect examination, Warhurst testified as follows:

> Q: You are the president of Pods, Inc.?
>
> A: I am.
>
> Q: And ... on your executive group are vice-presidents, am I correct?
>
> A: Yes, sir.
>
> Q: Would it be fair to say that all of the executive group had some participation in the creation of that unique rental agreement in conjunction with the lawyer?
>
> A: Uh, *my staff and the lawyers worked together to create the document,* yes, sir.

J.A. at 2135 (emphasis added).

Warhurst's testimony is inconsistent as to whether the outside counsel was the sole author or whether the outside counsel and PODS employees jointly created the work. It is also unclear as to the extent of the employee contributions. Mere participation in, contributions to, and review of the work of an independent contractor by PODS employees would not necessarily create a joint work. *See M.G.B. Homes*, 903 F.2d at 1492-93 (finding no co-ownership where home builder reviewed architect's drawings, made suggestions and corrections, and had final approval authority). The evidence is plainly insufficient to warrant JMOL in favor of PODS on the question of joint ownership, and the district court erred in granting JMOL.

The question then becomes whether to direct the award of JMOL in favor of Porta Stor or to remand for a new trial. Despite the somewhat skimpy record as to employee contribution, we cannot say that "a reasonable jury would not have a legally sufficient evidentiary basis to find for [PODS] on [the copyright ownership] issue." Fed. R. Civ. P. 50(a)(1). A jury could have believed that the contributions of the PODS employees were sufficiently significant to find the employees joint authors of the work.

Thus, we conclude that the district court erred in granting JMOL on copyright infringement and that the jury should have been permitted to determine whether PODS had carried its burden to establish ownership of the copyright. We therefore remand the case to the district court for the limited purpose of holding a new trial on the copyright infringement issue solely on the theory of joint ownership.[6]

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[6] On appeal, Porta Stor also asserts that JMOL on copyright infringement was erroneous because legal documents are not copyrightable and the copyrighted work was distributed to the public without a copyright notice. The mere fact that the document has a utilitarian purpose does not

CONCLUSION

Under the proper claim construction (requiring a four-sided, rectangular carrier frame), there is no literal infringement of claim 29 of the 062 patent. Since infringement of claims 1 and 32 under the doctrine of equivalents is barred by prosecution history estoppel, we reverse the district court's judgment of infringement and direct it to enter a judgment of non-infringement in favor of Porta Stor. We also reverse the district court's JMOL on copyright infringement and remand to the district court for a new trial limited to the copyright infringement issue. We see no error as to the jury's $1 verdict on the Lanham Act claim or its $15,000 verdict on the Florida common law claim and affirm those parts of the judgment.

AFFIRMED-IN-PART, REVERSED-IN-PART, and REMANDED-IN-PART COSTS.

No costs.

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render it non-copyrightable. *See Arthur Rutenberg Homes, Inc. v. Drew Homes, Inc.*, 29 F.3d 1529, 1533 (11th Cir. 1994) (finding architectural drawings copyrightable). As a general matter, "[t]here appear to be no valid grounds why legal forms such as contracts, insurance policies, pleadings and other legal documents should not be protected under the law of copyright." Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 2.18[E] (2006). And under the current statutory provision (in effect since 1989), notice of the copyright on the document is permissive, not mandatory. *See* 17 U.S.C. § 401(a); *see also Norma Ribbon & Trimming, Inc. v. Little*, 51 F.3d 45, 48 (5th Cir. 1995) ("[S]ince the Berne Convention Implementation Act of 1988 ... notice is no longer a prerequisite to copyright protection." (internal citation omitted)).

Appendix B

United States Court of Appeals, Federal Circuit.
PODS, INC., Plaintiff-Appellee,
v.
PORTA STOR, INC., and Christopher E. Neuguth,
Defendants-Appellants.
Nos. 05-1471, 05-1529.

April 6, 2006.

Before MAYER, LOURIE, and BRYSON, Circuit Judges.
PER CURIAM.
Defendants Porta Stor, Inc., and Christopher E. Neuguth (collectively " Porta Stor") appeal from two orders of the United States District Court for the Middle District of Florida. In the first, the court denied Porta Stor's motion to compel discovery. In the second, the court denied Porta Stor's motion to dissolve a preliminary injunction. Because Porta Stor's discovery appeal is interlocutory and not properly before us, we *dismiss* appeal No. 05-1529 for lack of jurisdiction. Because we conclude that the district court did not abuse its discretion when it denied Porta Stor's motion to dissolve the preliminary injunction, we *affirm* in appeal No. 05-1471.

BACKGROUND

PODS, Inc., is the assignee of U.S. Patent No. 6,071,062 (" the '062 patent"), which is directed to an apparatus and method for lifting, handling, and transporting portable storage containers. In September 2004, PODS brought suit against Porta Stor, alleging infringement of the '062 patent. At that time, PODS filed a motion for a preliminary injunction. Following a hearing, the magistrate judge who

was assigned to the case recommended that a preliminary injunction be granted, based on a finding that PODS was likely to prevail on its claim of infringement of independent claims 1 and 29. On November 10, 2004, the district court adopted the magistrate judge's report and recommendation and issued a preliminary injunction against Porta Stor.

On December 3, 2004, Porta Stor filed a " motion for lifting," i.e., dissolving, the preliminary injunction. When the parties subsequently agreed to engage in arbitration proceedings, that motion was denied without prejudice. On May 11, 2005, after the arbitration proceedings had ended, Porta Stor moved again to dissolve the preliminary injunction, arguing that the court had improperly relied on the opinion of PODS's engineering expert and that the prosecution history of the '062 patent did not support application of the doctrine of equivalents as to two of the limitations of claim 1. The magistrate judge denied the motion. With respect to the new information that Porta Stor offered in its motion, the magistrate judge explained that with due diligence Porta Stor could have presented that information prior to the issuance of the preliminary injunction. Moreover, the magistrate judge observed that Porta Stor's arguments in its motion to dissolve the injunction failed to address claim 29. Because the original report and recommendation was based on a finding that PODS would likely prove infringement of claims 1 and 29, the magistrate judge concluded that Porta Stor's " factual and legal arguments have little relevance." Porta Stor appeals that decision.

On June 22, 2005, Porta Stor filed a motion to compel discovery, seeking " a month by month list of the number of PODS employees, starting with September 2003," as well as " a copy of all of the Employer's Quarterly Federal Tax Return, Form 941 for each quarter ... for a period of the last 5

years." Finding that " the requested discovery is not relevant to a claim or defense of any party," the magistrate judge denied Porta Stor's motion. Porta Stor appeals that decision as well. The two appeals have been consolidated.

DISCUSSION

1. At the outset, we note that " as a general proposition most orders granting or denying discovery are not final orders within the meaning of section 1291 and therefore are not immediately appealable." *Rouse Constr. Int'l, Inc. v. Rouse Constr. Corp.*, 680 F.2d 743, 745 (11th Cir. 1982).[1] Here, final judgment has not been rendered and the magistrate judge's denial of Porta Stor's motion to compel discovery is therefore interlocutory. We thus conclude that Porta Stor's appeal of the denial of its motion to compel discovery is not properly before us. Consequently, we dismiss appeal No. 05-1529 for lack of jurisdiction.

2. Porta Stor has failed to show that the magistrate judge was wrong in holding that the new information submitted in connection with Porta Stor's motion to dissolve the preliminary injunction could have been presented at the original hearing on the injunction. For that reason, the magistrate judge properly denied the motion to dissolve the injunction.[2] In addition, as the magistrate judge pointed out,

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[1] Because the issues relating to the discovery appeal do not have special application in patent cases, we apply the law of the regional circuit to those issues, which in this case is the Eleventh Circuit. *See Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1575 (Fed. Cir. 1984).

[2] PODS argues that this court does not have jurisdiction to hear Porta Stor's appeal from the denial of the motion to dissolve the preliminary injunction. To be sure, a party may not make repeated motions to dissolve an injunction and appeal from the denial of each such motion when the motions to dissolve are in substance merely repetitive requests to reconsider the initial injunction providing no new grounds for dissolving

the district court entered the preliminary injunction on the basis of the magistrate judge's conclusion that PODS had demonstrated a reasonable likelihood of success in showing that Porta Stor's device infringed claims 1 and 29 of the '062 patent. Because Porta Stor's motion to dissolve the preliminary injunction was expressly limited to claim 1, and because we have held that in cases involving multiple patent claims a patentee seeking a preliminary injunction need only demonstrate that it will likely prove infringement of one of those claims, *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1351 (Fed. Cir. 2001), the magistrate judge was correct in holding that Porta Stor's motion did not present sufficient grounds for dissolving the preliminary injunction. We therefore affirm in appeal No. 05-1471.

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the injunction. However, Porta Stor's motion to dissolve presented new grounds for dissolving the injunction (albeit grounds that the magistrate judge ruled should have been presented at the time of the preliminary injunction hearing). Moreover, Porta Stor did not make redundant motions to dissolve the injunction, but merely reasserted, after the arbitration proceeding had ended, the request it had previously made to dissolve the injunction (a request that the district court had dismissed without prejudice pending the arbitration proceeding). Accordingly, we do not construe the motion to dissolve the preliminary injunction as an untimely request for reconsideration of the order issuing the injunction or as a duplicative request for relief from the injunction. We therefore have jurisdiction over the denial of the motion to dissolve the injunction under 28 U.S.C. §§ 1295(a)(1) and 1292(a)(1).

Appendix C

United States District Court, M.D. Florida,
Tampa Division.
PODS, INC., Plaintiff,
v.
PORTA STOR INC., and Christopher E. Neuguth, individually, Defendants.
No. 8:04-CV-2101-T-17MAP.

June 5, 2006.

Joseph Diamante, Richard H. An, Jenner & Block LLP, New York, NY, Laurie Lynne Morris, Robert V. Williams, Williams, Schifino, Mangione & Steady, P.A., James Maxwell Landis, Foley & Lardner, Tampa, FL, for Plaintiff.
Edward P. Dutkiewicz, Law Office of Edward P. Dutkiewicz, Dunedin, FL, for Defendants.

ORDER

MARK A. PIZZO, Magistrate Judge.

PODS owns the 062 patent which covers an apparatus for lifting, handling, and transporting portable storage containers. It claims Porta's lifting device infringes its patent literally (claim 29) and under the doctrine of equivalents (claim 1). Porta denies this and argues the patent is invalid due to obviousness. At this stage, both sides dispute claim 29's use of the terms, "positioning the carrier frame around the container." Porta contends the 062's claims, specification, and prosecution history require these terms to be read in conformity with the four-sided carrier frame described in claim 1. PODS, on the other hand, maintains these independent claims vary in scope and each should be read separately in context. Having considered the parties' arguments, I find a person of ordinary skill in the art would

not read claim 29 to limit the carrier frame to only four sides.

A. Procedural Background

In an effort to narrow the justiciable issues, this Court directed the parties engage in a claim construction process aimed at producing a joint claim construction statement (doc. 81). After reviewing their joint statement (doc. 110), the Court convened a status hearing, thoroughly questioned counsel for the parties, and concluded no real dispute existed regarding the language used in the challenged claims (doc. 116, p. 42). Both sides agreed the term, "carrier frame," as used in claims 1 and 29 referred to the foundational structure supporting the portable container lifted onto and from the transporting vehicle. Both sides also seemed to recognize that the surrounding language (or the lack thereof) in claims 1 and 29 defined or refined the claimed embodiment. *Id.* Yet, despite the Court's efforts at identifying and eliminating claim construction issues, claim construction questions surfaced at the recent final pretrial conference. Accordingly, the Court directed the parties to file additional position papers (docs.136, 138). This order resolves these claim construction issues by defining the terms, "carrier frame around the container," in claim 29 pursuant to the principles outlined in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd,* 535 U.S. 722 (2002); *Markman v.. Westview Instruments,* 517 U.S. 370 (1996); and *Phillips v. AWH Corp,* 415 F.3d 1303 (Fed. Cir. 2005) *(en banc).*[1]

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[1] Although the Court did not notice the January 10, 2006, status conference as a *Markman* hearing, the specific purpose of the hearing was to discuss and identify claim construction issues. Irrespective, *Markman* does not require a district court to follow any particular procedure in conducting claim construction. District courts have wide latitude in how they conduct the proceedings before them, and there is nothing unique about claim construction that requires a court to proceed according to a particular protocol. All *Markman* requires is that the trial court construe

B. Claim 29

While the parties dispute the meaning of "carrier frame" in claim 29, they notably do not argue about its meaning in claim 1. Both sides agree claim 1 describes an apparatus that uses a four-sided or rectangular-shaped carrier frame for positioning and supporting the container: "a carrier frame including right and left longitudinal elements juxtaposed with right and left sides, respectively, of the container to be handled and transported, each longitudinal element extending opposite first and second ends, the carrier frame having front and rear transverse elements juxtaposed with the front and rear ends, respectively, of the container to be handled and transported ..." *See* doc. 111-2, ex. 1. Indeed, PODS concedes the accused device, which embodies a u-shaped or open-ended carrier frame, does not literally read on this claim. Hence, PODS argues Porta's device infringes claim 1 by the doctrine of equivalents, a contention Porta denies.

Claim 29 is a different matter. That claim reads:

> "a method of lifting, handling, and transporting a container on to and off from a transport vehicle having a cargo carrying platform, the method comprising the steps of: positioning the *carrier frame around* the container on the transport vehicle platform; releasably attaching the carrier frame to the container; ... moving and positioning the *carrier frame around* the container ..."

Although this method claim omits any reference to claim 1's

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the claims to the extent necessary to determine whether the accused device infringes. And a court may approach that task in any way it deems best. *See Ballard Medical Products v. Allegiance Healthcare Corp.*, 268 F.3d 1352, 1358 (Fed. Cir. 2001).

four-sided apparatus language ("a carrier frame including right and left longitudinal elements ... having front and rear transverse elements ..."), Porta takes claim 1's four-sided carrier frame and superimposes it on claim 29 reasoning the 062's prosecution history and specification demand this interpretation. Moreover, Porta asserts claim 29's inclusion of the term, "around," adds to this four-sided conclusion. That term dictates the shape of the carrier frame in relation to the container, a carrier frame that *surrounds* the container on *all four* sides. Hence, the 062's metes and bounds strictly map out a four-sided carrier frame.

PODS disagrees. It argues one skilled in the art would read "carrier frame around the container" in the context of each claim. This hypothetical person would also look to the presence or absence of any modifying language in that claim to decide the boundaries of the claim's carrier frame. For example, claim 1 identifies a four-sided frame "around" the container: "where the *carrier frame* [previously described as a four-sided frame in this claim] is capable of being lowered *around* the container for attaching the carrier frame to the container for subsequent lifting, handling, and transporting the container." *See* doc. 111-2, col. 7, lines 31-35. Because claim 1 specifically describes a four-sided frame, *around* necessarily means a frame that *surrounds* the container on *all* sides. Conversely, claim 29 omits claim 1's four-sided language. That omission presumably carries consequences. Without claim 1's four-sided language, the carrier frame described in claim 29 is less precise and limited. *Around* no longer carries claim 1's definite meaning as claim 29 has changed the frame's perimeter. Claim 29 describes a carrier frame with a different relationship to the container than the one in claim 1. For claim 29, *around* means on *all* or *various* sides of the container or *about* the container. To illustrate its position, PODS offers a descriptive example: a child wraps

her arms *around* her father's waist but she is unable to completely encircle his waist. Despite her physical shortcomings, the child has put her arms *around* her father's torso or, more accurately stated, *about* his waist. Hence, *around* implies a carrier frame that supports a container by wrapping *around* the container on all sides *or* less than all sides.

C. Discussion

1. interpretive principles

"It is a 'bedrock principle' of patent law that 'the claims of a patent define the invention to which the patentee is entitled the right to exclude.' "*Phillips,* 415 F.3d at 1312 (citations to quoted material omitted). The words of a claim are generally to be given their ordinary and customary meaning using the perspective of someone of ordinary skill in the applicable art. *Phillips,* 415 F.3d 1312-1313. With this same perspective, a court tasked with resolving a claim construction dispute studies the claims and specification, the patent's prosecution history, and, if necessary, consults with outside relevant sources. But not all these sources stand on equal footing. The last two are less reliable and persuasive than the first. While the patent's prosecution history can potentially reveal how the PTO and the inventor understood the patent, their dialogue often lacks clarity, particularly when compared to the specification. *Phillips,* 415 F.3d at 1317. Therefore, a patent's prosecution history is less useful than the specification. *Id.* Instead, the file wrapper primarily serves to exclude any interpretation the patentee disclaimed during prosecution. *Id* citing *Chimie v. PPG, Indus., Inc.,* 402 F.3d 1371, 1384 (Fed. Cir. 2005); *see also Festo, supra,* 535 U.S. at 733-737 (prosecution history estoppel requires that the claims of a patent be interpreted by reference to those that

have been cancelled or rejected during the proceedings before the PTO). And while the court can in its discretion look to extrinsic evidence (like expert and inventor testimony, dictionaries, and learned treatises), such evidence is less persuasive and reliable than the intrinsic record. *Phillips*, 415 F.3d at 1317-1318 (citing reasons why).

Concomitant with these evidentiary concepts, general interpretive principles factor in the claim construction calculus. Often, the specification (like the 062's) and the sketches describe a very specific embodiment of the invention. Yet, the Federal Circuit warns construing courts to guard against limiting the claims to the specification's preferred embodiment. *Id* at 1323 ("In particular, we have expressly rejected the contention that if a patent describes only a single embodiment, the claims of a patent must be construed as being limited to that embodiment."). Unless one skilled in the art would confine the claims to the preferred embodiment (namely, conclude the embodiment defines the outer limits of the claims so that the two are coextensive with each other), the general rule is that the claims are not to be confined to the embodiment. The reason for this result is that "persons of ordinary skill in the art rarely would confine their definitions of terms to the exact representations depicted in the embodiments." *Id.* Along these lines, claims are presumed to vary in scope. *Comark Communications, Inc. v. Harris Corp.*, 156 F.3d 1182, 1187 (Fed. Cir. 1998) citing *Tandon Corp. v. United States Int'l Trade Comm'n*, 831 F.2d 1017, 1023 (Fed. Cir. 1987) ("[t]here is presumed to be a difference in meaning and scope when different phrases are used in separate claims"). Each claim, therefore, means something, and the differences between claims are presumptively significant. *Id.* While the doctrine of claim differentiation is not a "hard and fast rule," it simply implements a commonsense notion. *Id; see also*

Chisum on Patents, § 18.03[6]. When it is applied to two independents claims, like here, two considerations generally govern: (1) claim differentiation takes on relevance in the context of claim construction that would render additional, or different, language in another independent claim superfluous; and (2) claim differentiation cannot broaden claims beyond their correct scope. *Curtiss-Wright Flow Control Corp. v. Velan, Inc.*, 438 F.3d 1374, 1381 (Fed. Cir. 2006).

2. applying the principles

Much of Porta's argument for a four-sided frame rests on its reading of the 062's prosecution history. True to *Phillips's* warning about prosecution history, the 062's history exemplifies the ambiguity that makes such evidence less useful than the specification for claims interpretation. *Phillips*, 415 F.3d at 1317.[2] Irrespective, Porta seizes on patentee counsel's response to the examiner to make its estoppel argument, a response that dealt with the examiner's complaints about unclear language in claims 4, 6, 10-19, and 21-24: "[a]s the examiner acknowledges, the Dousset reference [prior art noted in the application] clearly lacks the teaching of the *singular rectangular-shaped frame.*" *See* doc. 111-7, p. 18.[3] From this, Porta extrapolates PODS "surrendered any claims for a carrier frame having anything but a singular rectangular-shaped frame." *See* doc. 110 at p.

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[2] *Phillips* directs a claim construction court to "consider the patent's prosecution history, *if it is in evidence.*" 415 F.3d 1317 (emphasis added). It also defined the prosecution history as "the *complete record* of the proceeding before the PTO and includes the prior art cited during the examination of the patent." *Id* (emphasis added). Neither party has submitted the 062's complete file wrapper. Instead, the parties offered only select portions. *See* doc. 111-7.

[3] The examiner's report or documentation of his actions are not part of the record. The parties have submitted instead the patentee's response and characterization of the examiner's actions.

18. But that exchange, when considered in context, fails to support a clear, decisive surrender of subject matter. *See Aquatex Industries, Inc. v. Techniche Solutions,* 419 F.3d 1374, 1382-83 (Fed. Cir. 2005) (prosecution history estoppel and argument-based estoppel require a showing of clear and unmistakable surrender of subject matter by amendments or arguments to examiner); *Salazar v. Proctor & Gamble Co.,* 414 F.3d 1342, 1344 (Fed. Cir. 2005) (same). If anything, the examiner's perception about the clarity of the 062's language highlights the inherent difficulties encountered by using words to define the property boundaries of a technical invention. *See Festo,* 535 U.S. at 731 ("Unfortunately, the nature of language makes it impossible to capture the essence of a thing in a patent application.").

Initially, claim 29 appeared as claim 22. The examiner rejected that claim and others (4, 6, 10-19, and 21-24) because its language made "the limitations regarding the frame, carrier frame, and the carrier ... unclear." *See* doc. 111-7 at pp. 7, 16. Patentee's counsel answered the rejection asserting the examiner had misconstrued the prior art and the teaching of Dousset in particular. Unlike the '062' device which integrated frame, container, and transport vehicle in a connected unit, Dousset required "specially designed containers" so that spindles or pins could be secured to the corresponding female connections on the container. *Id* at 17-18. Dousset used two end-fitted hydraulic jacks (portals) with transverse frame elements to lift the container. The container's longitudinal frame elements added structural support for lifting (the lifting apparatus had no longitudinal support elements). The operator had to position these hydraulic jacks to and from the container by hand; thus, Dousset did not offer an easy and safe method for integrating the lifting mechanism, container, and transport vehicle. Nothing from Porta's quoted exchange supports its estoppel

argument. Besides, the comments miss the clarity needed for surrendering all but a four-sided frame, particularly given patentee's counsel's prefatory remarks to the examiner: "[the applicant by amending claims was] not intending in any manner to narrow the scope of the originally filed claims." *Id* at p. 16.

Instead of surrendering subject matter, these remarks, when considered in the context of the specification, highlight the prior art's shortcomings and the 062's gains. Namely, whether the earlier art used two, three, or four-sided frames, all the devices suffered a common denominator. Each lacked a unit that integrated lift, frame, container, and transporting vehicle. Some lacked a transport vehicle, others made using the lifting device awkward and unsafe, and others made the relationship between container and the transporter difficult. *Id.* The 062, in contrast, promoted a unit that easily positioned the frame to the container and then moved the container onto or from the transport vehicle. This integration is the core of the invention-not the frame's configuration as Porta suggests. The specification bears this out:

> "Accordingly, there is a need to provide a means for easy positioning of the frame around the container, and for moving and positioning the frame and the container together ... to provide a method to adjust the width of the frame under power to clear the container when moving and positioning the frame ... [and] to provide a means for releasably attaching the frame to the vehicle for safe transport."

See doc. 111-2, col. 2, lines 19-29.

These words echo claim 29's method. Porta's estoppel argument is misplaced. Accepting it would require

sidestepping two basic principles of construction: guarding against limiting claims to the preferred embodiment and claims are considered to vary in scope.

D. Claim Construction Conclusion

The term "around," as used in Claim 29 means "on all four sides or on less than all four sides." The PODS "carrier frame" is not limited to a four-sided, rectangular shaped frame.

IT IS SO ORDERED at Tampa, Florida on June 5, 2006.

Appendix D

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA TAMPA DIVISION
JUDGMENT IN A CIVIL CASE

PODS, INC.,

Plaintiff,

VS. CASE NUMBER: 8:04-cv-2101-T-MAP

PORTA STOR, INC.,
and CHRISTOPHER E. NEUGUTH, individually,

Defendant,

☒ Jury Verdict. This action came before the court for trial by jury. The issues have been tried and the jury has rendered its verdict.

IT IS ORDERED AND ADJUDGED that Plaintiff PODS, INCORPORATED recover of the Defendant PORTA STOR INCORPORATED the sum of $16,501.00 and recover of the Defendants PORTA STOR INCORPORATED and CHRISTOPHER E. NEUGUTH the sum of $750.00.

June 16, 2006 SHERYL L. LOESCH, CLERK

Jacqueline A. Simms
(By) Jacqueline Simms, Deputy Clerk

M'Film Roll No._____
Doc. No._____

Appendix E

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

PODS, INC.,

Plaintiff,

v. CASE NO. 8:04-CV-2101-T-MAP

PORTA STOR INC., and CHRISTOPHER E. NEUGUTH, individually,

Defendants.
_____/

ORDER

The jury returned a verdict finding the Defendant Porta Stor willfully infringed PODS's '062 patent and that it should pay PODS $1,500 in reasonable royalty. At issue now is whether the Court should increase this amount pursuant to 35 U.S.C. § 284. *See also Read Corp. v. Portec, Inc.*, 970 F.2d 816, 826 (Fed. Cir. 1992) (citing factors to be considered) *abrogated in part on other grounds, Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 975 (Fed. Cir. 1995) (en banc). Accordingly, if PODS seeks an increase in the jury's award as to this claim, it should file its motion by June 21, 2006; any response by Porta Stor is to be filed by June 27, 2006.

At the conclusion of the evidence, the Court found as a matter of a law that Defendants Porta Stor and Neuguth infringed PODS's copyright by copying PODS's rental

agreement. The Court then submitted to the jury the issues of willful infringement and damages. Accordingly, the jury determined the Defendants had not willfully infringed and awarded PODS "$0" damages. PODS sought statutory damages pursuant to 17 U.S.C. § 504(c)(1), namely, an amount no less than $750 nor more than $30,000. Although the Court so instructed the jury, the jury nonetheless awarded PODS nothing. Because the jury failed to award at least the mandatory minimum amount, this Court finds PODS should be awarded statutory damages in the amount of $750. *See Cable/Home Communication Corp. v. Network Productions, Inc.*, 902 F.2d 829, 852 (11th Cir. 1990) quoting *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1335 (9th Cir. 1984) ("The court has wide discretion in determining the amount of statutory damages to be awarded, constrained only by the specified maxima and minima.").

For these reasons and per the jury's verdict, it is hereby

ORDERED:

1. The Clerk is directed to enter judgment for Plaintiff PODS and against Defendant Porta Stor, Inc. in the amount of $16,501.00 and against Defendant Porta Stor, Inc. and Defendant Christopher Neuguth in the amount of $750.

2. Any motion by PODS seeking an increase in the jury's award on the patent claim should be filed by June 21, 2006; any response by Porta Stor is to be filed by June 27, 2006.

DONE AND ORDERED in Tampa, Florida on June 16, 2006.

/s/

Mark A. Pizzo
UNITED STATES MAGISTRATE JUDGE

cc: Counsel of Record

Appendix F

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

2006-1504

PODS, INC.,

Plaintiff-Appellee,

v.

PORTA STOR, INC.,

Plaintiff-Appellant,

and

CHRISTOPHER E. NEUGUTH,

Defendant.

ORDER

NOTE: This order is nonprecedential.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

ORDER

A combined petition for panel rehearing and for rehearing en banc having been filed by the Appellee, and a response thereto having been invited by the court and filed by the Appellant, and the petition for rehearing and response, having been referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc and response having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for panel rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on June 19, 2007.

FOR THE COURT,

/s/
Jan Horbaly
Clerk

Dated: 06/12/2007
cc: Edward P. Dutkiewicz
Joseph Diamante

PODS V PORTA STOR, 2006-1504
(DCT - 8:04-CV-2101)

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FILED
OCT 11 2007
OFFICE OF THE CLERK
SUPREME COURT, U.S.

No. 07-315

IN THE

Supreme Court of the United States

PODS, INC.,

Petitioner,

v.

PORTA STOR, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

EDWARD P. DUTKIEWICZ
P.O. Box 937
Dade City, Florida 33526
(352) 467-2682

Attorney for Respondent

211474

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

QUESTIONS PRESENTED

I. Whether petitioner has presented compelling reasons to grant the Petition, where the United States Court of Appeals for the Federal Circuit ("Federal Circuit") engaged in claims construction of a patent matter, deciding that prosecution history, with its attendant estoppel, limited both the literal infringement available, with the same definitions limiting the equivalents available to the patentees.

II. Whether petitioner has presented compelling reasons to grant the Petition, where the Federal Circuit has not issued conflicting opinions on the issue of the determination of the applicability of prosecution history and the finding of reliance of the patent examiner upon statements made by the patentee during patent prosecution.

STATEMENT PURSUANT TO RULE 29.6

Respondent, Porta Stor, Inc., has no parent corporation and no publicly held company owns 10% or more of its stock.

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Statute

35 U.S.C. 103 17

Question 1. Can the United States Court of Appeals for the Federal Circuit ("Federal Circuit") *sua sponte* raise and decide the issue of prosecution history estoppel on appeal, where that issue was neither raised at trial nor appealed to it?

PODS contends that the Federal Circuit erred in that (1) it decided *sua sponte*, the issue of prosecution history estoppel in Porta Stor's favor, even though that issue had (a) never been raised or addressed at trial, and (b) never been appealed to this Court and (2) the Panel departed from this Court's well-settled precedent in finding prosecution history estoppel based on prosecution statements that did not evince a clear and unmistakable surrender of subject matter.

Appellate Courts Do Not Hear Arguments Never Raised Before

In the Federal Circuit Court of Appeals PODS relied on *Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1426 (Fed.Cir.1997) to argue that issues not raised in the lower court should not be raised first on appeal. Porta Stor agrees that this is a state of appellate law, however, that is as far as Porta Stor goes in its agreement with PODS' arguments.

To argue that the "prosecution history" or "prosecution history estoppel" was not raised in the lower court is to ignore a record containing numerous references and arguments directed to the issue of prosecution history estoppel. Moreover, prosecution history examination is an integral component of any claims construction, a function which the District Court

had to carry out in order to construe the claims of the patent. One only has to look as far as *Festo Co. v. Shoketsu Kinzoku Kogyo Kabushiki Co. Ltd.*, 535 U.S. 722 (2002) to see the intimate relationship between claims construction and the prosecution history. The Southwall Court stated, "prosecution history estoppel limits the range of equivalents available to a patentee by preventing recapture of subject matter surrendered during prosecution of the patent. *Townsend Eng'g Co. v. HiTec Co.*, 829 F.2d 1086, 1090, 4 USPQ2d 1136, 1139 (Fed.Cir.1987)" *Southwall Technologies, Inc. v. Cardinal IG Co.*, 54 F.3d 150, CAFC 1995.

The Vitronics Court underscored how necessary it was to consider the prosecution history, and the resultant prosecution history estoppel, if found. "It is well-settled that, in interpreting an asserted claim, the court should look first to the intrinsic evidence of record, i.e., the patent itself, including the claims, the specification and, if in evidence, the prosecution history. (See *Markman*, 52 F.3d at 979, 34 USPQ2d at 1329). Such intrinsic evidence is the most significant source of the legally operative meaning of disputed claim language". *Vitronics Corp. v. Conceptronic Inc.*, 90 F.3d 1576, 1582 (1996).

Pods first question implies that claims construction may be devoid of any reference to the prosecution history, and, in fact, must be devoid of any inspection of the prosecution history, by the Court, absent an allegation or pleading requesting the Court to so consider the facts. Porta Stor submits that the question has already been long answered, in that the Courts rely on the prosecution history to determine the meaning of

the Claims language, and the any arising estoppel does not come from the pleadings, but from the very words of the prosecution history.

Pods first argument is that the issue of prosecution history estoppel was decided sua sponte by the Federal Circuit Panel, and that the issue of prosecution history estoppel was never raised in the District Court. PODS states, "[t]he bottom line is the Porta Stor indisputably did not raise the issue of prosecution history estoppel at trial or on appeal to the Federal Circuit. Accordingly, PODS had no opportunity at trial or on appeal to make the arguments and present testimony against the applicability of prosecution history estoppel" (Pods' Petition, page 7). Such position requires the truncation of the pre-trial procedures and the trial itself. The arguments and issues regarding the application of the prosecution history and the resultant estoppel occurred before the trial, before the District Court issued its Claims Construction Order. To address PODS' contrived issue is to agree that there is a clear line of demarcation between the Claims Construction and the issues presented before trial. The issue of prosecution history estoppel was presented to the Court during the pre-trial claims construction. Simply put, the issues of prosecution history and estoppel were decided before trial, with the resultant Court's Claims Construction Order being applied at trial. The order, in turn, was the very basis of the Court's directing a verdict for PODS. Porta Stor appealed the District Court's Claims Construction Order.

PODS also states, " [i]n fact, at oral argument before the Federal Circuit, counsel for Porta Stor expressly conceded that he had not raised prosecution history

estoppel as a defense to infringement on appeal". Porta does not agree with PODS' statement. A review of the Federal Circuit recording available at the Federal Circuit web site indicates that the question posed to counsel for Porta Stor was whether Porta raised prosecution history estoppel as it related to the doctrine of equivalents. Porta agreed that it had not, but, Porta Stor did raise the issue as it related to claims construction Porta Stor had raised, and argued, that the statements made during the prosecution limited the claims interpretation to a four sided construct, and could not include a three sided construct. Porta also raised, and argued, that the word "around" was defined to mean on all sides of, and therefore limited claims construction to a device that went around, or on all four sides of, a container. Those are the arguments and issues that were presented to the District Court and the Federal Circuit. Contrary to PODS' statement to this Court, the issue was raised regarding the claims construction and infringement of the patent at issue. PODS had not alleged or offered expert report or testimony as to infringement under the doctrine of equivalents as to Claim 29.

At the center of the issue that serves as the basis for PODS' petition is the question whether a Court, in taking up the matter of Claims construction, can consider the prosecution history, absent a pleading or allegation requesting it to do so, or putting the prosecution history at issue. PODS overlooks the inextricable relationship between claims construction and the prosecution history. The relationship being such that the prosecution history may give rise to a presumption of surrender of the scope

of a claim. In Festo, the Court underscored the relationship of claims construction with the prosecution history.

> Similarly, the patentee should bear the burden of showing that the amendment does not surrender the particular equivalent in question. As the author of the claim language, his decision to narrow his claims through amendment may be presumed to be a general disclaimer of the territory between the original claim and the amended claim. (citing *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 136-137)

Festo, at 725.

Even if the every reference to prosecution history and prosecution history estoppel, which appears in the entire record from the lower court, were to be set aside, the function of claims construction, which is carried out de novo by the Appellate Court necessarily includes prosecution history review and, if amendment or argument is made, an analysis of those amendments or arguments so as to determine if, and to what extent, prosecution history estoppel applies. One only has to go as far as the Zenith case, cited by PODS, to see that claims construction and prosecution history are inextricably intertwined. "Prosecution history serves as a limit on the scope of claims by excluding any interpretation of the claim language that would permit the patentee to assert a meaning from the claim that was disclaimed or disavowed during prosecution in order to obtain claim allowance". *Zenith Laboratories, Inc. v.*

Bristol-Meyers Squibb Co., 19 F.3d 1418, 1421 (Fed.Cir. 1994).

Additionally, and more significantly, is PODS own claims construction statement. The joint claims construction statement, that was presented to the District Court, was partially crafted by PODS counsel and partially crafted by Porta Stor's counsel. PODS recognized, under *Vitronics Corp, v. Conceptronic, Inc.*, 90 F.3d 1576 (1996), the fact of claims construction requiring the court to look into intrinsic evidence...the claims, the specification, and, if in evidence, the prosecution history. PODS repeatedly referenced the prosecution history.

Moreover, in the District Court's order, provided in PODS' petition at pages 25a-34a, the Court directly references (Petition, page 28a) the prosecution history, stating, ". . . Porta takes claim 1's four-sided carrier frame and superimposes it on claim 29 reasoning the '062's **prosecution history and specification demand this interpretation.** Moreover, Porta asserts claim 29's inclusion of the term, "around," adds to this four-sided conclusion" (Bold mine). Magistrate Judge Pizzo of the Florida Middle District Court then stated, "With this same perspective, a court tasked with resolving a claim construction dispute studies the claims and specification, the patent's prosecution history, and, if necessary, consults with outside relevant sources" (Petition, page 29a). The District Court relied on *Phillips v. AWH Corp.*, 415 F.3d 1303, 1317 (Fed.Cir. 2005) (en banc) and *Festo*, at 733-37, "(prosecution history estoppel requires that the claims of a patent be interpreted by reference to those that have been cancelled or rejected during the

proceedings before the PTO)" (Petition, page 30a). The District Court found, "Much of Porta's argument for a four-sided frame rests on its reading of the '062's prosecution history. . . Porta seizes on patentee counsel's response to the examiner to make its estoppel argument . . ." (Petition, page 31a)

It is confounding how PODS can assert that the issues of prosecution history and prosecution history estoppel were not properly before the Court and not properly raised on appeal as part of the appeal of the District Court's claims construction.

PODS contends that it was unable to present testimony regarding prosecution history estoppel. PODS cites to *Bayer AG v. Elan Pharm. Res. Corp*, 212 F.3d 1241, 1254 (Fed.Cir 2000) for the proposition that "("testimony as to what a reasonable competitor would conclude from the prosecution history . . . is . . . a tool, which the judge can use at his or her discretion, to aid in the legal determination of prosecution history estoppel". PODS misstates the context of the language of the Bayer Court. The Bayer Court carefully explained that prosecution history estoppel is a "purely legal issue" and was important to promote "both uniformity and certainly in the meaning of a patent's claims" *Id.* In the passage cited by PODS, the Court explains that the any testimony regarding what an expert would say as to what a competitor would reasonably view as the metes and bounds of a patent, has minimal value, and may be used as a tool, should the court chose to do so. Such testimony is the equivalent of expert testimony at a Markman hearing, not necessary, and usually marginally helpful. The importance of this interpretation is that such

testimony is unnecessary, and even if it would be helpful, is not a harmful error to not allow such testimony. Claims construction, along with the determination of prosecution history and any attendant estoppel, is strictly a matter of law. Courts rarely need any assistance in determining matters of law.

The issue of claims construction, which necessarily includes an examination of the prosecution history, was raised in the appeal to the Federal Circuit. The issues covered were claims construction, amendment and estoppel, prosecution history, prosecution history estoppel, and means plus function language.

Also standing as direct evidence against PODS new-found assertion, that prosecution history was never brought up before the lower court, are several documents in the record. First PODS refers to prosecution history in its motion for temporary injunction, where PODS expert opines, "with no basis for any estoppel of any claim element of claim, and no limitation of the breadth of this claim . . .". From the very beginning PODS was, to say the least, fully aware of prosecution history and the effects of amendments to the breadth and scope of the claims, vis a vis, estoppel. In Porta Stor's second motion to lift the preliminary injunction, Defendant specifically focused the District Court's attention on Dr. Swanger's opinion and the surrender of coverage brought about by the patentees' amendment.

PODS asserted position that the issue of prosecution history estoppel had never been raised in the lower court flies in the face of the documents of this case, that spell out clearly, and in plain language, that prosecution

history estoppel has been, and is, a large and significant part of the dispute between the parties from the very first hearings in the case.

In fact, the Plaintiff urged the District Court to issue an ex-parte temporary injunction because "no significant amendments had been made". Such an assertion at the very outset of the case can only be made if the Plaintiff made a conscious determination of the amendments and the significance of the amendments. From day one the Plaintiff was aware of the effect of prosecution history and the estoppel that arises, and PODS knew the prosecution history was at issue. PODS assertions that the issue of prosecution history and prosecution history estoppel is a new, heretofore un-raised issue, is contradicted by an abundance of evidence within the documents that had been placed before the Federal Circuit Panel.

Prosecution history was specifically referred to by the Court during the "informal claims construction hearing" where counsel for PODS discussed prosecution history estoppel. The issue of prosecution history was even separately briefed before the trial. A phrase search of the May 2006 Brief to the Court mentioned "prosecution history" eight times in thirteen pages of text. In that document Porta Stor stated, "The issue of applicable estoppel and the effect such estoppel would have on claims construction has been briefed in the past, in particular a brief was submitted as Doc. 113, filed on January 12, 2006". The argument that somehow the Plaintiff is taken by surprise by the Federal Circuit Court of Appeals referring to prosecution history in rendering its decision, is without merit.

Question 2. If prosecution history estoppel is to be based solely on arguments made during prosecution, must the circumstances permit the inference that the examiner relied on those argument in allowing the patent to issue? This Court has yet to rule on that issue and the Federal Circuit has issued conflicting opinions on the issue. Compare *Zenith Labs., Inc. v. Bristol-Meyers Squibb Co.*, 19 F.3d 1418, 1425 n.8 (Fed.Cir.1994) (declining to find prosecution history estoppel because there was "no indication the examiner ever relied on the statements [at issue]. . . in allowing the patent to issue.) with *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 14470 (Fed.Cir. 1995) ("clear assertions made during prosecution in support of patentability, whether or not actually required to secure allowance of the claim may also create an estoppel.")".

In the second question, PODS asserts that the Federal Circuit has issued two conflicting opinions regarding the inference of an examiner relying on arguments made by patentee in allowing the application to pass forward to issue. PODS states the question, "If prosecution history estoppel is to be based solely on arguments made during prosecution, must the circumstances permit the inference that the examiner relied on those argument in allow in the patent to issue?"

PODS offers two cases, *Zenith Labs, Inc v. Bristol-Meyers Squibb Co.*, 19 F.3d 1418, 1425 n. 8 (Fed.Cir. 1994) "declining to find prosecution history estoppel because there was "no indication the examiner ever relied on the statements [at issue]. . . in allowing the patent to issue", and *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570 (Fed.Cir. 1995) "clear assertions made during

prosecution in support of patentability, whether or not actually required to secure allowance of the claim, may also create an estoppel" (Petition, page i)

A reading of both the Zenith and Southwall cases leaves one to ponder where that issue identified by PODS is even raised in the Southwall case.

Zenith is a pharmaceutical case, involving the issue of the crystalline conversion in vivo. The language of Foot note 8 is much like the very question posed by PODS with some important differences. The Zenith Court stated, " if an estoppel is to rest upon argument made during the examination process, the circumstances must be such as to permit the inference that such reliance in fact occurred". In other words, if the Court finds estoppel, the facts of the prosecution history should indicate or infer, that the examiner relied on the statements made in the prosecution history (as is the case in argument based estoppel requiring a clear and convincing surrender of patent territory). PODS provides the word "solely", which does not appear in the Zenith Court's foot note 8. The Zenith Court does not discuss whether the consideration was based "solely" on arguments made. It is apparent that the Zenith Court answered the question, in plain and simple terms. The difference is that the Zenith Court found that if an estoppel is to rest upon argument made during the examination process, the circumstances [of the prosecution history, amendments and arguments] must be such as to permit the inference that the examiner relied on the arguments made during the patent

prosecution. In explaining its position, the Zenith Court stated in FN 8;

> "[a]lthough actual reliance by the examiner need not be shown, if an estoppel is to rest upon argument made during the examination process, the circumstances must be such as to permit the inference that such reliance in fact occurred. A showing that the conduct in question played a material role in the issuance of the patent usually suffices. See *Mannesmann Demag Corp. v. Engineered Metal Prod.*, 793 F.2d 1279, 1285, 230 USPQ 45, 48 (Fed.Cir.1986)".
>
> FN8, *Zenith*, at 1425.

A word search of Zenith gives only one appearance of the word "inference", in footnote 8. The word "infer" is not found using a computer word search.

In Zenith the discussion as to the examiner's state of mind, and what statements the examiner then relied upon, was centered on what the examiner stated as his rationale;

> "[y]et, these prior forms of cefadroxil were never asserted as prior art by the examiner, and the examiner expressly indicated that Bristol's assertions were not a factor in determining patentability. Moreover, according to the examiner's statement of reasons for allowance, the sole basis upon which allowance was challenged, and upon

> which the '657 patent was eventually issued, was related to a single prior art reference, Garbrecht, U.S. Patent No. 3,781,282,FN7 and Bristol's successful showing that the claimed compound was not inherent in that reference". *Zenith*, at 1425.

The "issue" of the "circumstance permitting any inference that the examiner relied on the arguments [of the prosecution history] " just is not present in Zenith.

Southwall is a case concerning the language of the claims and the statements made during prosecution. Southwall initially was determined during Summary Judgment, in which, following PODS' logic, Cardinal IG "never raised the issue of prosecution history at trial". Regardless, the District Court found in favor of Cardinal by way of Summary Judgment.

The word "examiner" appears eight times in Southwall. Each location was identified and read. No where is any question raised that regards any inference that the examiner relied on prosecution history arguments to allow the patent to issue. It had been stated that the examiner rejected the amended claims, but agreed to let them issue following more amendment. But the question generated by PODS, concerning this "issue" can not be found within the four corners of Southwall. A word search of the words, "inference" and "infer" do not generate any "hits" within Southwall. If there is any conflict between Southwall and Zenith, it does not arise concerning any "inference".

Contrary to the "conflict" which PODS reads into the Southwall and Zenith cases, both are consistent with the long standing manner in which claims construction is carried out by the Courts. Southwall examined the prosecution history in the context of claims construction. The Southwall Court applied the specification and the prosecution history to determine what the claims language meant. The Southwall Court reasoned that Claims construction and prosecution history and resultant estoppel must be read in context, and not standing alone as single arguments. Southwall lacks any discussion regarding whether the examiner relied on the arguments made by Southwall in allowing the patent to issue. The Court simply found that arguments made during the Southwall prosecution acted to limit the definition of the terms of the claims. The only allusion to the examiner regarding the claims is that the examiner rejected one of Southwall's claimed equivalents. *Southwall*, at 1579. The Southwall Court provides no discussion concerning any "inference that the examiner relied on the arguments". The Southwall Court found that the prosecution history arguments had limited the equivalents available. *Southwall*, at 1581.

STATEMENT OF THE CASE

Porta Stor would add some facts to those presented by PODS. First, the hearing for preliminary injuction was heard on October 5, 2004 with the decision not being provided until November 2004. Porta Stor moved to have the injuction lifted, and was denied. The Court agreed to re-visit the request to lift the injunction after the parties had arbitrated the issues which took about five months to achieve.

Before trial the District Court issued its claims construction order, which formed the basis for the appeal to the Federal Circuit Court of Appeals.

ARGUMENTS AGAINST GRANTING PETITION

PODS asserts that prosecution history estoppel was never raised before being applied by the Federal Circuit. A review of the Federal Circuit hearing record (Fed.Cir. web site) demonstrates that prosecution history was raised in the context of claim construction and infringement (direct). Argued was that the language of the claims was limited by the statements made by the patentees during the prosecution of the patent at issue. Porta Stor argued that the prosecution history limited the scope of the claims. In turn, the limitation of the language of the claims by prosecution statements affects the issue of both direct infringement and infringement under the doctrine of equivalents by virtue of the fact that the determination of the meaning of words for deciding literal infringement also applies to define the words as they are applied in an equivalents analysis. In determining the claims language, the Federal Circuit also determined whether equivalents were available, and if so, what the equivalents could be, because of the language that affected the claims interpretation for one, affects and controls the claims interpretation of the other.

To reiterate, and again address PODS' assertion that prosecution history was "conceded" not to have been raise as a defense to infringement on appeal, Porta Stor disagrees. A review of the audio record of the hearing before the Federal Circuit indicates that it was conceded by Porta Stor that prosecution history was not raised in

the context of the doctrine of equivalents (meaning only concerning the doctrine of equivalents), but had been raised in the context of infringement and claims construction. The issue, however, contrary to PODS' assertion, was raised.

PODS asserts that prosecution history is different than prosecution history estoppel. The difference between the two concepts has been described by the Spectrum Court in *Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1378 n.2 (Fed. Cir. 1998). Prosecution history determines what the words of a claim mean, and prosecution history estoppel determines if the words, can be interpreted to include an equivalent device. Simply put, estoppel does not arise within the context of literal infringement because an element either is, or it isn't. However, missing from any quotation or cite offered by PODS is the holding that prosecution history cannot be applied in determining any equivalent structures.

At bottom, the issue before the Federal Circuit was the question of claims construction, and the claims construction order. The words of the claims were interpreted in light of the prosecution history. The words were given definitions, so that "around" meant on all sides, and a carrier frame was defined as having four sides and encircling a container. There was no argument as to an equivalent of "around". The doctrine of equivalents did not apply, nor could it, because of the strict limitation imposed on the word by the patentees themselves. It was determined, as well as conceded, that Porta Stor's device did not go on all four sides of a container. Hence, the use of the prosecution history

determined that the word "around" meant on all four sides. That element not being satisfied, any other argument was moot, and the claim was not infringed, either Claim 1, 29 or 32, as all contain the word "around".

As the Southwall Court stated, "once an argument is made regarding a claim term so as to create an estoppel, the estopple will apply to that term in other claims". *Southwall,* at 1584. The estoppel, which is preventing a party from a right because of its own actions, is created at the moment of the argument during the prosecution history. PODS would have the Court rule that a Court may interpret the claims based on the prosecution history, but the Court would have to ignore the very terms it had decided unless specific allegations were made. Such a ruling would require a Court to construe the claims, and then not apply the definitions. Such would be an impossible situation. Moreover, the Federal Circuit found that PODS' patentee's statements barred it from asserting Porta Stor infringed Claim 1 (or Claim 32) under the doctrine of equivalents, so any specific raising of estoppel in the context of the doctrine of equivalents was, and is, moot.

Pods argues that there is conflicting precedent regarding argument based estoppel. Note should be taken that this case also involves amendment based estoppel, and amendments to overcome rejection under 35 U.S.C. 103 "obviousness". While both estoppels can exist, as they do in this case, PODS argues the one with the higher standard of proof. That is not to say that both are not present. Should the Petition be granted, Respondent will argue that both, argument based

estoppel and amendment based estoppel, are applicable here.

Use of the Term "Rectangular"

In attempting to find inconsistency where none exists, PODS cites to the Zenith and Southwall cases. PODS then argues, at page 10, "**the examiner himself had already described the frame as rectangular" and *rejected* the claim**". (bold and underline in original). PODS ignores the facts that are pertinent.

In this case the examiner pointed out to the patentees that the prior art did not teach a singular rectangular frame (Dousset had a pair of rectangular frames). The patentee did not "parrot" the language, rather they adopted the language and explained the differences over the prior art using the Examiner's language. And the patentees went further. They both argued that their device went around the container (Doussett was on two sides of a container) and the patentees amended Claim 1 to include the language "around the container" to describe the orientation of the carrier frame and a container. The patentees argued that their device had a single rectangular frame and was capable of going over and around a container located on the ground. The limitation of going "around a container" was added into Claim 1. Such language was offered by the patentee and did not arise from any "parroting". PODS conveniently ignores the record that shows that the patentees differentiated their device from the prior art by amending the claim to include the limitation of "around the container", and in an effort to find an issue that does not exist.

Prosecution History v. Prosecution History Estoppel

PODS argues that "Any argument that PODS had an opportunity to address the issue of prosecution history estoppel through its claim construction arguments would be without merit". PODS cites the Spectrum case, quoting foot note 2, page 1378, stating "this Court has emphasized the 'clear distinction between following the statement in the prosecution history in defining a claim term, and the doctrine of prosecution history estoppel, which limits expansion of the protection under the doctrine of equivalents when a claim has been distinguished over relevant prior art. "*Spectrum Int'l Inc., v. Sterilite Corp.*, 164 F.3d 1372, 1378 n.2 (Fed.Cir.1998). PODS interpretation of the Spectrum language and reliance thereupon is misplaced. The Spectrum Court was explaining that when a court considers the file wrapper it interprets the claim terms in light of the prosecution history (the statements in the prosecution history), as compared to the arguments or amendments made during the prosecution history of the application which affect the scope of the claims and the equivalents available. Where the former defines what the words mean, the latter defines any limitations on the equivalents available within the context of the claims language interpretation.

PODS treats prosecution history estoppel as if it is a separate entity, devoid of any connection with claims construction and the interpretation of what the claims language means. Estoppel arises from the prosecution history, and is part of the prosecution history. Estoppel is the result of the prosecution, and not a separate entity. Common sense would dictate that prosecution history

estoppel cannot exist absent a prosecution history. Porta Stor submits that one cannot reasonably separate the two concepts.

CONCLUSION

PODS arguments that it did not have the opportunity to argue prosecution history, and attendant estoppel, ignores the abundance of court records and documents which plainly and unequivocally set forth prosecution history and prosecution history estoppel as an issue in this matter. PODS position requiring the separation of prosecution history analysis from that of claim construction is unsupported in case law. PODS complaint that it was prejudiced by not having an expert testify as to what a reasonable competitor would understand from the patent language invades the Court's domain as finder of law, in that claims construction, with attendant estoppel analysis, is an issue of law. Lastly, PODS assertion that there is an inconsistency between Zenith and Southwall is not supported by the language of either case. Porta Stor submits that there is no inconsistency, and PODS complaints should be given no further consideration. Porta Stor submits that PODS did not present a convincing argument in support of its Petition for a Writ of Certiorari, and so Porta Stor requests that the United States Supreme Court deny PODS' Petition.

Respectfully submitted,

EDWARD P. DUTKIEWICZ
P.O. Box 937
Dade City, Florida 33526
(352) 467-2682

Attorney for Respondent

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(3)

No. 07-315

IN THE
Supreme Court of the United States

PODS, INC.,

Petitioner,

v.

PORTA STOR, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

REPLY IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

JOSEPH DIAMANTE*
RICHARD H. AN
JENNER & BLOCK LLP
919 Third Avenue
37th Floor
New York, NY 10022
(212) 891-1600

**Counsel of Record*

CORPORATE DISCLOSURE STATEMENT

Pursuant to United States Supreme Court Rule 29.6, Petitioner PODS, Inc. certifies that it has no parent company and that there is no publicly held company that owns 10% or more of the stock of PODS, Inc.

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REPLY ARGUMENTS FOR GRANTING THE PETITION

I. Contrary to Porta Stor's Assertions, this Court Should Review the Federal Circuit's Decision to Raise and Decide the Issue of Prosecution History Estoppel *Sua Sponte* On Appeal, As the Federal Circuit's Decision So Far Departs from the Accepted and Usual Course of Proceedings

As set forth in PODS' Petition, one of the express grounds for granting certiorari is where the court of appeals "has so far departed from the accepted and usual course of judicial proceedings . . . as to call for an exercise of this supervisory power." Supreme Court Rule 10(a). The Federal Circuit *sua sponte* raised and decided the issue of prosecution history estoppel in favor of Porta Stor on appeal, ***even though that issue had never been raised at trial or appealed to it.*** A clearer case of a departure from the accepted and usual course of judicial proceedings is difficult to imagine. Porta Stor's arguments that the issue of prosecution history estoppel was raised prior to trial in the district court proceedings or that that issue was somehow implicitly decided in the district court claim constructions are without merit.

A. The Issue of Prosecution History Estoppel Was Indisputably Never Raised at Trial or Appealed to the Federal Circuit

Porta Stor does not, and cannot, dispute the fact that the issue of prosecution history estoppel was never raised at trial and, consequently, never appealed to the Federal Circuit. Porta Stor made only two arguments in appealing the district court's ruling that claims 1 and 32 were infringed under the doctrine of equivalents neither had anything whatsoever to do with

prosecution history estoppel.[1] (Porta Stor's Opening Appeal Brief, pp. 33-35). In fact, in its Brief in Opposition to PODS' Petition for Certiorari, Porta Stor admits that during oral argument before the Federal Circuit, it expressly conceded that it had not raised prosecution history estoppel as a defense to infringement under the doctrine of equivalents. (Porta Stor's Brief in Opposition to PODS' Petition for a Writ of Certiorari ("Opp.") at 4: "the question posed to counsel for Porta Stor was whether Porta Stor raised prosecution history estoppel as it related to the doctrine of equivalents. ***Porta agreed that it had not*** . . . .") (emphasis added).

Porta Stor contends, however, that the issue of prosecution history estoppel had been raised prior to trial during the district court proceedings, including, in particular, the district court's claim construction proceedings. Porta Stor is wrong. As set forth below in detail below, prosecution history estoppel has nothing to do with claim construction because it relates only to infringement under the doctrine equivalents. *See infra* Section I(B). In any event, regardless whether Porta Stor raised prosecution history estoppel prior trial (which it did not), the fact remains that ***Porta Stor did not raise that issue at trial or appeal that issue to the Federal Circuit***. As set forth in PODS' Petition, the law is well-settled that under such

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[1] In particular, Porta Stor argued that (a) all the asserted claims require a gasoline engine and since PODS' expert allegedly could not remember whether the Porta Stor device used a gasoline or diesel engine, his testimony could not serve as a basis for finding infringement as a matter of law, and (b) the term "carrier frame" was not properly construed as a step-plus-function clause, and thus not properly considered in the district court's infringement ruling. (Porta Stor Br., pp. 33-35). Plainly, neither of those grounds relate to prosecution history estoppel, which may estop a patentee from asserting infringement under the doctrine of equivalents. *Biodex Corp. v. Loredan Biomedical, Inc.*, 946 F.2d 850, 862 (Fed. Cir. 1991).

circumstances, that issue has been waived further consideration. (Petition at 3-7). Accordingly, Federal Circuit's decision to resurrect and decide that issue *sua sponte* amounted to a denial of due process for PODS.

Because the Federal Circuit raised and decided the issue of prosecution history estoppel on appeal *sua sponte*, PODS had no opportunity at trial or on appeal to make further arguments against the applicability of prosecution history estoppel and present testimony regarding what a reasonable competitor would conclude from the prosecution history of the patent at issue. *See Bayer AG v. Elan Pharm. Res. Corp.*, 212 F.3d 1241, 1254 (Fed. Cir. 2000) ("testimony as to what a reasonable competitor would conclude from the prosecution history . . . is . . . a tool, which the judge can use at his or her discretion, to aid in the legal determination of prosecution history estoppel."). Porta Stor contends, however, that such testimony is entitled to only "minimal" weight in deciding the issue of prosecution history estoppel. (Opp. at 7). In doing so, Porta Stor misses the point. The issue is not the probative weight to be given such testimony, but whether PODS was deprived of the opportunity to present such testimony, which Porta Stor concedes the district court ***may use*** in deciding the issue of prosecution history estoppel. (Opp. at 7). Further, if Porta Stor had raised the issue of prosecution history at trial or on appeal, PODS could have made additional arguments against the applicability of that doctrine. Plainly then, in view of PODS' lack of opportunity to present testimony and further argument regarding the issue of prosecution history estoppel, the Federal Circuit's *sua sponte* decision regarding that issue was not only improper, but amounted to a denial of due process for PODS.

B. The District Court's Claim Constructions Did Not Address the Issue of Prosecution History Estoppel

Throughout its Opposition brief, Porta Stor repeatedly argues that "prosecution history examination is an integral component of any claims construction" (Opp. at 1), and that therefore, the issue of prosecution history estoppel was addressed by the district court's claim constructions, which Porta Stor did appeal to the Federal Circuit. (Opp. at 3 "The issue of prosecution history estoppel was presented to the Court during the pre-trial claims construction."). Porta Stor is wrong.

As set forth in PODS' Petition, construing claims in view of the prosecution history is separate and distinct from the issue of prosecution history estoppel. Indeed, the Federal Circuit itself recently acknowledged that principle:

> Southwall seems to imply that principles of prosecution history estoppel are relevant in the claim construction step of a determination of literal infringement. There is, however, a clear distinction between following the statements in the prosecution history in defining a claim term, and the doctrine of prosecution history estoppel, which limits expansion of the protection under the doctrine of equivalents when a claim has been distinguished over relevant prior art . . . ***The limit on the range of equivalents that may be accorded a claim due to prosecution history estoppel is simply irrelevant to the interpretation of those claims.***

(*See Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570,1578 (Fed. Cir. 1995) (emphasis added); *see also Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1378 n. 2 (Fed. Cir.1998) (same).

Significantly, the claim construction process is used only to determine the literal scope of the claims, which is separate and apart from the issues of infringement under the doctrine of equivalents and prosecution history estoppel. *See Southwall*, 54 F.3d at 1578 ("**Claim interpretation** in view of the prosecution history is a preliminary step in determining literal infringement, while prosecution history estoppel applies as a limitation on the range of equivalents if, after the claims have been properly interpreted, no literal infringement has been found . . . ***The limit on the range of equivalents that may be accorded a claim due to prosecution history estoppel is simply irrelevant to the interpretation of those claims***.") (emphasis added); *Wenger Mfg., Inc. v. Coating Machinery Sys., Inc.*, 239 F.3d 1225, 1238 (Fed. Cir. 2001) ("the doctrine of prosecution history estoppel is 'irrelevant' to the determination of literal claim scope."); *Applera Corp. v. MJ Res. Inc.*, 292 F. Supp. 2d 348, 356 n. 6 (D. Conn. 2003) ("prosecution history estoppel does not apply to claim construction [or the] literal infringement analysis"). Infringement under the doctrine of equivalents, however, addresses whether a device infringes a claim even though that device falls outside the ***literal*** scope of that claim. *See Southwall*, 54 F.3d 1578. Accordingly, any argument that the issue of prosecution history estoppel was addressed through the district court's claim constructions is without merit.[2]

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[2] The district court's references to the prosecution history and "estoppel" in its claim construction order (29a, 31a) were made in the context of determining the ***literal*** scope of claim 29. Indeed, contrary to prosecution history estoppel which limits the doctrine of equivalents, construing claims in view of the prosecution history applies to the determination of literal infringement by excluding from the claim construction any claim scope that has been clearly and unmistakably disavowed during prosecution. *See Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 30 (1997); *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1323-26 (Fed. Cir. 2003). Again, the claim construction process only determines the literal scope of the claims–not

Indeed, the district court's claim construction order plainly did not decide the issue of prosecution history estoppel, as the issue of infringement under the doctrine of equivalents was not at issue during claim construction. In particular, the district court's claim construction order only addressed the literal scope of the claims, namely, the ***literal*** scope of claim 29, which PODS contended was literally infringed by Porta Stor. (25a-34a: "This order resolves these claim construction issues by defining the terms, "carrier frame around the container," in claim 29.").

Finally, contrary to Porta Stor's assertion, PODS is not disputing that the prosecution history of a patent may be examined in construing the claims of that patent to determine the literal scope of the patent's claims. Again, however, that examination is separate and distinct from the doctrine of prosecution history estoppel.

II. Contrary to Porta Stor's Assertion, There Is Conflicting Precedent Regarding the Reliance Requirement for Argument-Based Prosecution History Estoppel

As set forth in PODS' Petition, the Federal Circuit has issued conflicting opinions on whether prosecution history estoppel, when based solely on arguments made during prosecution, requires an inference that the examiner relied on those arguments in allowing the patent to issue. *Compare Zenith Labs., Inc. v. Bristol-Meyers Squibb Co.*, 19 F.3d 1418,1425 n. 8 (Fed. Cir. 1994) (declining to find prosecution history estoppel because there was "no indication the examiner

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whether one is estopped from asserting infringement under the doctrine of equivalents even if the accused device falls outside the literal scope of that claim.

ever relied on the statements [at issue] . . . in allowing the patent to issue.") (emphasis added) with *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1583 (Fed. Cir. 1995) ("clear assertions made during prosecution in support of patentability, ***whether or not actually required to secure allowance of the claim***, may also create an estoppel.") (emphasis added). Porta Stor argues, however, that there is no conflicting precedent regarding the issue, contending that Southwall has nothing to do with that issue. (Opp. at 11). Porta Stor is wrong.

Southwall expressly holds that a patentee's statements during prosecution may give rise to prosecution history estoppel ***regardless*** of whether the examiner ***relied*** on those statements in deciding to allow the patent to issue. *See Southwall*, 54 F.3d at 1583 ("Estoppel extends beyond the basis of patentability"). Indeed, in its decision, the Federal Circuit cited *Southwall* for the proposition that "clear assertions made during prosecution in support of patentability, ***whether or not actually required to secure allowance of the claim***, may also create an estoppel." (14a) (emphasis added). As such, *Southwall* is plainly inconsistent with *Zenith*, which, as Porta Stor agrees, holds that "if an estoppel is to rest upon arguments made during the examination process, the circumstances . . . must be such as to permit an inference that the examiner relied on the arguments made during the patent prosecution" in deciding to let the patent issue. (Opp. at 11-12). Indeed, Zenith expressly states that "[a] showing that the conduct in question played a material role ***in the issuance of the patent*** usually suffices" to permit an inference that "[examiner] reliance in fact occurred." *Zenith*, 19 F.3d at 1425 n. 8 (emphasis added). Accordingly, there is conflicting Federal Circuit precedent regarding the reliance requirement in argument-based prosecution history estoppel. As this Court has yet to rule on that issue, it should grant PODS' Petition in order to resolve the conflicting decisions of the Federal Circuit.

CONCLUSION

Petitioner PODS respectfully requests that its petition for writ of certiorari be granted.

Respectfully submitted,

JOSEPH DIAMANTE*
RICHARD H. AN
JENNER & BLOCK LLP
919 Third Avenue
37th Floor
New York, NY 10022
(212) 891-1600

**Counsel of Record*

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